



## ABHA PROPERTY PROJECT LIMITED

Our Company was incorporated as "Abha Property Project Limited" as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. Our registered office sifted from NCT of Delhi to the state of West Bengal in the year 2001 pursuant to the Company Law Board (CLB), Northern Region Bench, New Delhi, order dated 16.10.2001. The Corporate Identification Number of our Company is L51909WB2001PLC093941. For further details regarding our Company, please refer to "General Information" on page no. 34 of this Draft Letter of Offer.

**Registered Office:** 29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013;

**Telephone No.:** +91-33-6644 7200; **Fax No.:** +91-33-6644 7201;

**Contact Person:** Mr. Santanu Kumar Hazra (Company Secretary & Compliance Officer)

**Corporate Identity Number:** L51909WB2001PLC093941;

**E-mail id:** [abhaproperty@gmail.com](mailto:abhaproperty@gmail.com); **Website:** <https://abhaproperty.in/>;

<b>PROMOTERS OF OUR COMPANY: MR. JAGDISH PRASAD AGARWALLA &amp; MRS. SITA AGARWALLA</b>
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ABHA PROPERTY PROJECT LIMITED (OUR "COMPANY", THE "COMPANY" OR THE "ISSUER") ONLY</b>
<b>NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT ECONOMIC OFFENDER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY</b>

**RIGHTS ISSUE OF UP TO 94,99,900 (NINETY FOUR LAKHS NINETY NINE THOUSAND NINE HUNDRED) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹10/- (RUPEES TEN ONLY) PER EQUITY SHARE FOR AN AMOUNT OF ₹9,49,99,000/- (RUPEES NINE CRORES FORTY NINE LAKHS NINETY NINE THOUSAND ONLY) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHT SHARES FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDER AS ON [●]DAY, [●],[●], BEING THE RECORD DATE (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 116 OF THIS DRAFT LETTER OF OFFER.**

### # Assuming full subscription

#### GENERAL RISKS


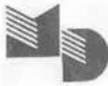
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 19 of this Draft Letter of Offer before making an investment in this Issue.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinion or intentions misleading in any material respects.

#### LISTING

The existing Equity Shares of our Company are listed only on the Calcutta Stock Exchange Limited (CSE), however there is no trading on the CSE, for further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company beginning on page 21 of this Draft Letter of Offer. Our Company has received in-principle approval from the CSE for listing of the Right Shares pursuant to its letter bearing reference number [●] dated [●]. For the purposes of the Issue, the Designated Stock Exchange is the CSE.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	<b>Intelligent Money Managers Private Limited</b> CIN: U65923WB2010PTC156220 SEBI REGN. No.: INM000012169 Validity of Registration: Permanent Contact Person: Amit Kumar Mishra Address: YMCA Building, 25, Jawaharlal Nehru Road, 2nd Floor, Kolkata - 700 087 Tel. No.: +91-33-4065 6289 E-mail Id: <a href="mailto:info@intelligentgroup.org.in">info@intelligentgroup.org.in</a> Website: <a href="http://www.intelligentgroup.org.in/">www.intelligentgroup.org.in/</a>		<b>Maheshwari Datamatics Private Limited</b> CIN: U20221WB1982PTC034886 SEBI REGN. No.: INR000000353 Validity of Registration: Permanent Contact Person: Mr. Ravi Kumar Bahl Address: 23, R. N. Mukherjee Road, 5 <sup>th</sup> Floor, Kolkata – 700 001, Tel. No.: +91-33-2248 2248; Fax No.: +91-33-2248 4787 Email Id: <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a> Website: <a href="http://www.mdpl.in">www.mdpl.in</a>
ISSUE PROGRAMME			
ISSUE OPENS ON	LAST DATE FOR OFF-MARKET RENUNCIATIONS*		ISSUE CLOSES ON**
[●], [●]	[●], [●]		[●], [●]

\* The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\*\* Our Board thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open more than 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Abha Property Project Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Issue.*

*The words and expressions used in this Draft Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto, the rules and regulations made there under. Notwithstanding the foregoing, terms used in “**Statement of Tax Benefits**” and “**Financial Statement**” beginning on pages 49 and 94, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.*

CONVENTIONAL/ GENERAL TERMS	
Term	Description
Articles of Association or Articles or AOA	The Articles of Association of our Company, as amended from time to time
Auditor or Statutory Auditor/ Peer Review Auditor	M/s. Rajgaria & Associates
Audit Committee	The committee of the Board of Directors constituted as our Company’s Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ <b>SEBI Listing Regulations</b> ”) and Section 177 of the Companies Act, 2013. For details, see “ <b>Our Management</b> ” on page 81 of this Draft Letter of Offer
Board or Board of Directors	The Board of Directors of our Company or a duly constituted committee thereof
Company or Our Company or the Company or the Issuer or APPL	Abha Property Project Limited incorporated under the provisions of the erstwhile Companies Act 1956, having its Registered Office at 29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013
Chief Financial Officer / CFO	Aditya Agarwalla, the Chief Financial Officer of our Company.
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
Company Secretary and Compliance Officer	Santanu Kumar Hazra, the Company Secretary and Compliance Officer of our Company.
Depositories Act	The Depositories Act, 1996 and amendments thereto
Depository Participant/ DP	Depository Participant as defined under the Depositories Act
Designated Stock Exchange/ DSE	The Calcutta Stock Exchange Limited
Directors	Directors on the Board, as may be appointed from time to time
Eligible Equity Shareholders	Holders of Equity Shares of the Company as on the Record Date
Equity Shares	Equity shares of face value of ₹10/- each of our Company
Executive Directors	Executive Directors of our Company.
Financial Statement	The audited consolidated financial statements of our Company for the period ended September 30, 2023 and financial years ended March 31, 2023 and March 31, 2022 which comprises the balance sheet, the statement of profit and loss, including other comprehensive income, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

Indian GAAP	Generally Accepted Accounting Principles in India
Independent Directors	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act.
IT	Information Technology
Key Managerial Personnel	The key managerial personnel of our Company in terms of Companies Act and as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act.
Non-Executive Directors	Non-executive Directors of our Company
Non-Executive and Independent Director	Non-executive and independent directors of our Company, unless otherwise specified
Promoter(s)	The Promoters of our Company are Mr. Jagdish Prasad Agarwalla & Mrs. Sita Agarwalla
Promoter Group	1. Anshuman Agarwalla 2. Dhruv Agarwalla 3. Swati Agarwalla 4. Jagdish Prasad Agarwalla HUF 5. Basant Kumar Agarwalla HUF
QC	Quality Control
Registered Office	29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013
Registrar of Companies/ ROC	Registrar of Companies, West Bengal, Kolkata
Rights Issue Committee	The Committee of our Board constituted for purposes of this Issue and incidental matters thereof.
SEZ	Special Economic Zone
Stock Exchange	Stock exchange where the Equity Shares of our Company are presently listed, being only The Calcutta Stock Exchange Limited
We/ us/ our	Unless the context otherwise indicates or implies, refers to Abha Property Project Limited
w.e.f	with effect from

ISSUE RELATED TERMS	
Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer or ALOF	Abridged letter of offer dated [●] to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment, Allot or Allotted	Allotment of the Rights Equity Shares pursuant to this Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, in to which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being [●]
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be allotted the Equity Shares pursuant to this



	Issue
Allotment Date/ Date of Allotment	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Persons to whom Right Shares are allotted/ issued pursuant to this Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer
Application(s)	Application made through (i) submission of the Application Form or plain paper Application to the designated Branch of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Form	Unless the context otherwise requires, an application form under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Amount payable at the time of Application, i.e., ₹10/- [Rupees Ten Only] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in at the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Applicant/ ASBA Investor(s)	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/ 30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors making an Application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the Agreement
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants under this Issue, as described in " <b>Terms of the Issue</b> " beginning on page 116 of this Draft Letter of Offer
Consolidated certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/ other/Other Action.do?doRecognised=yes</a>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is applicable on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Draft Letter of Offer or DLOF	The Draft Letter of Offer dated March 27, 2024 to be filed with the Designated Stock Exchange
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]
Eligible Equity	Holder(s) of the Equity Shares of our Company as on the Record Date.

Shareholder(s)	Please note that the investors eligible to participate in the Issue exclude certain overseas shareholder For further details, see “ <b>Notice to Overseas Investors</b> ” beginning on page 11 of this Draft Letter of Offer
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI
IEPF	Investor Education and Protection Fund
Investor(s)/ Applicants	Eligible Equity Shareholder(s) of our Company on the Record Date, [●]day, [●],[●] and the Renouncee(s)
ISIN	International Securities Identification Number i.e., INE964E01011
Issue Agreement	Issue agreement dated February 02, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue / Rights Issue	Rights Issue of up to 94,99,900 (Ninety Four Lakhs Ninety Nine Thousand Nine Hundred) Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹10/- (Rupees Ten Only) per Rights Equity Share for an amount of ₹9,49,99,000/- (Rupees Nine Crores Forty Nine Lakhs Ninety Nine Thousand Only) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 5 (Five) right shares for every 1 (one) equity shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]day, [●],[●]. *Assuming full subscription
Issue Closing Date	[●]day, [●],[●]
Issue Opening Date	[●]day, [●],[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹10/- (Rupees Ten Only) per equity share
Issue Proceeds / Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating not exceeding up to ₹9,49,99,000/- (Rupees Nine Crores Forty Nine Lakhs Ninety Nine Thousand Only) #Assuming full subscription
Lead Manager	Intelligent Money Managers Private Limited
Letter of Offer/ LOF	The final Letter of Offer dated [●] to be filed with the CSE after incorporating the observations received from the CSE on the Draft Letter of Offer
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to “ <b>Objects of the Issue</b> ” beginning on page 45 of this Draft Letter of Offer
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market

	transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [●]day, [●],[●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Company/Registrar to the Issue/ Registrar	Maheshwari Datamatics Private Limited
Registrar Agreement	Agreement dated February 05, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation
Renunciation Period	Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to [●]day, [●],[●], i.e., the Issue Closing Date
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to the Issue
Rights Entitlement(s)/ RES	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 5 (Five) Rights Share for every 1 (One) fully paid- up Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders The Rights Entitlements are accessible on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time;
Transfer Date	The date on which the Application Money blocked in the ASBA Account

	will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the DSE
Willful Defaulter	Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act,) or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Kolkata are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

#### **CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
Rs., ₹, Rupees or INR	Indian Rupees
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AGM	Annual General Meeting
AY	Assessment year
CSE	The Calcutta Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	erstwhile Companies Act, 1956 along with the rules made there under
Companies Act, 2013	Companies Act, 2013 along with the rules made there under
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/ Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020/ FDI Circular	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic	An individual who is declared a fugitive economic offender under Section 12

Offender	of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended thereto
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding
Net Worth	Aggregate of Equity Share capital and other equity excluding other comprehensive income
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or in directly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or in directly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended thereto
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended thereto
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended thereto
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure

	Requirements) Regulations, 2015 as amended thereto
SEBI Rights Issue Circulars	SEBI circulars bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 read with SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 as amended thereto
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended thereto
Stock Exchange	Calcutta Stock Exchange Limited / CSE
STT	Securities Transaction Tax
Supreme Court	Supreme Court of India
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended thereto
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated Liabilities
U.S.\$ , USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulations)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act/ Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

## NOTICE TO OVERSEAS INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively “**Issue Material**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform by themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Material through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, CSE and BSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is in complete or acceptance of such Application Form may in fringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY, FROM THE LEAD MANAGER, FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**



## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### Certain Conventions

All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

### Financial Data

Our fiscal year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular “fiscal year” or “Fiscal” are to the 12-months period ended on March 31 of that year.

Unless the context otherwise requires, our financial data in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements. Our audited consolidated financial statements as of and for the period ended September 30, 2023 and financial year ended March 31, 2023 and March 31, 2022 have been prepared by our Company in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements (“Financial Statements”). Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details of financial statements, see “**Financial Statement**” beginning on page 94 of this Draft Letter of Offer.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### Currency of Presentation

All references to the “Rupees” or “₹” are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakhs. Exchange Rate

The following table provides information with respect to the exchange rate for the Indian rupee per US\$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Currency	As on September 30, 2023	As on March 31, 2023	As on March 31, 2022
1 US\$	₹ 83.06	₹ 82.22	₹ 75.81

Source: FBIL Reference Rate as available on <https://www.fbil.org.in> (In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.)

## FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “Risk Factors”, “Objects of the Issue” and “History and Corporate Structure”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, political & legal environment and geographical locations in which our Company operates, and other information that is not historical information. These forward- looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Actual results may differ materially from those suggested by the forward- looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities, pandemics and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- impact of any further COVID-19 pandemic on our business and operations;
- any unforeseen situation / event having negative impact on the capital market;
- any disruption in our sources of funding or increase in costs of funding;
- our ability to obtain certain approvals and licenses;
- engagement in a highly competitive business and a failure to effectively compete; and
- our ability to manage our operations at our current size or to manage any future growth effectively

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “**Risk Factors**”, beginning on page 19 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange’ requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the CSE. The existing Equity Shares of our Company are listed on CSE, however there is no trading on CSE, for further details, kindly refer to the Risk Factor ‘Our Company is currently listed only on CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company’ on page 21 of this Draft Letter of Offer.

## SECTION II - SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages 19, 33, 39, 45, 67, 77, 100 and 116 of this Draft Letter of Offer respectively.

### 1. SUMMARY OF BUSINESS:

Our Company was incorporated as “Abha Property Project Limited” as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Company has got Certificate of Commencement of Business dated June 06, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identification Number of our Company is L51909WB2001PLC093941.

In the year 1985, the Company came out with an IPO and got listing at Delhi Stock Exchange. Delhi Stock Exchange is ceases to be act a functional stock exchange as the same has been de-recognised by SEBI vide its order dated 23rd January, 2017.

In the year 1989, the Company has been taken over by new management by virtue of change in directorship and controlling interest in the Shareholding in the phased manner from the year 1991 to 1997 and the present promoter Jagdish Prasad Agarwalla along with PAC’s completed the acquisition of shares from erstwhile promoters of the Company pursuant to an open offer made under Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 which commenced on June 6, 2006 and expired on June 15, 2006.

Our Company got Non-Banking Financial Company (NBFC– Non Deposit Taking) registration certificate from RBI, New Delhi Regional Office, to carry on the NBFI (Non-Banking Financial Institution) activities under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.00806 dated 13.09.2000.

For further details, please refer to the chapter titled ‘Our Business’ beginning on page 77 of this Draft Letter of Offer.

### 2. OUR PROMOTERS:

#### Individual Promoters / Promoter Group

Jagdish Prasad Agarwalla  
Sita Agarwalla  
Anshuman Agarwalla  
Dhruv Agarwalla  
Swati Agarwalla

#### Non-Individual Promoters / Promoter Group

Jagdish Prasad Agarwalla HUF  
Basant Kumar Agarwalla HUF

### 3. OBJECTS OF THE ISSUE:

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	949.99
Less: Estimated Issue related Expenses	[●]
<b>Net Proceeds from the Issue#</b>	<b>[●]</b>

# assuming full subscription and allotment.

*\*The Issue size will not exceed ₹949.99 Lakhs (Rupees Nine Crores Forty Nine Lakhs Ninety Nine Thousand Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The Net Proceeds (gross proceeds less issue expenses) are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (₹ in Lakhs)
To augment the capital base of our company	[●]
For general corporate purposes	[●]
<b>Total Net Proceeds</b>	<b>[●]</b>

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

*For further details, please see chapter titled “Objects of the Issue” beginning on page 45 of this Draft Letter of Offer.*

#### **4. Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:**

The Individual Promoters/ Promoter Group through vide letters dated [●], and Non-Individual Promoters/ Promoter Group vide letters dated [●] (hereinafter collectively referred to as the “**Subscription Letters**”), have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter/ Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI ICDR Regulations. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Such subscription for Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of SEBI Listing Regulations and the provisions of the SCRR. As on date our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to this Issue.

In case this Rights Issue remains unsubscribed or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

#### **5. Summary of Financial Information:**

The following table sets forth summary financial information derived from the Audited Consolidated Financial Statements for the Financial Years ended March 31, 2023, March 31, 2022 and Audited financial statements for the half-year ended period September 30, 2023, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI Listing Regulations.

Particulars	For Half-year period ended September 30, 2023	(₹ in lakhs other than share data)	
		Financial Years ended	
		March 31, 2023	March 31, 2022
Equity share Capital	190.00	190.00	190.00
Reserves and Surplus	8,109.16	8,043.30	7,575.59
Net Worth	8,299.16	8,233.30	7,765.59
Revenue (total income)	80.04	176.59	203.34
Net Profit/(Loss) before Tax and extraordinary items	70.55	170.80	196.04
Profit after tax and extraordinary items	67.42	141.93	188.04
Earnings per share (basic and diluted) (Rs.)	3.55*	7.47	9.90

Net asset value per equity share (Rs.)	436.80	433.34	408.72
Return on Net Worth (%)	0.81	1.72	2.42

\* Non-annualized.

## 6. Auditor Qualifications:

There are no qualifications by the Statutory Auditors in their report to the Audited Financial Statements for the Financial Year ended March 31, 2023 and for the Half-year period ended September 30, 2023.

## 7. Summary of Outstanding Litigations:

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Draft Letter of Offer is provided below. For details of the material outstanding litigation proceedings including criminal proceedings and civil proceedings, please see “Outstanding Litigation and Material Developments” on page 100 of this Draft Letter of Offer.

- Litigations involving our Company:

a. Cases filed against our Company:

Nature of Litigation	Amount involved* (₹ in lakhs)
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil
Litigation involving Tax Liabilities (Direct Tax)	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil
Proceedings involving material violations of statutory regulations by our Company	Nil
Labour Matters	Nil
Economic Offences	Nil
Material civil litigations above the materiality threshold	Nil

\*To the extent quantifiable.

b. Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal Matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

\*To the extent quantifiable.

- Litigations involving our Directors, Promoters, Promoter Group and Group Companies :

Nature of Litigation	Amount involved* (₹ in lakhs)
Litigation involving our Directors, Promoters and Promoter Group (Tax Liabilities (Direct Tax))	13.67
Litigation involving our Group Companies (Tax Liabilities (Direct Tax))	64.62

\*To the extent quantifiable.

For further details, please refer to section titled ‘Outstanding Litigation and Material Developments’ beginning on page no. 100 of this Draft Letter of Offer.

## 8. Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please refer “Risk Factors” on page no. 19 of this Draft Letter of Offer.

## 9. Summary of Contingent Liabilities of our Company

For the half-year ending period on September 30, 2023, and for the Financials Years ending on March 31, 2023 and March 31, 2022 the contingent liabilities that had not been provided for, details of the same as under:

<i>(Amount ₹ in Lakhs)</i>				
Sl. No.	Particulars	September 30, 2023	March 31, 2023	March 31, 2022
a.	Contingent Liabilities	Nil	Nil	Nil
b.	Commitments	Nil	Nil	Nil

\*Please refer “**Financial Statement**” on page no. 94 of this Draft Letter of Offer for more information.

## 10. Summary of Related Party Transactions

For details of the related party transactions, as reported in the Financial Statements for Financial Years ending March 31, 2023, please refer “**Financial Statement**” on page no. 94 of this Draft Letter of Offer.

## 11. Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives, Directors of the company which is a Promoter of our Company have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Draft Letter of Offer.

## 12. Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

### SECTION III - RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material aspects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment.*

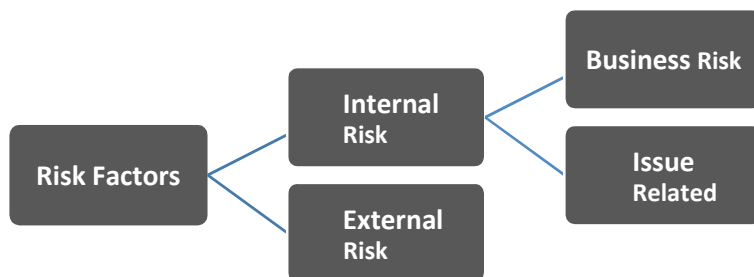
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Industry Overview” beginning on page 67, “Our Business” beginning on page 77, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 96 respectively, of this Draft Letter of Offer as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- *Some risks may not be material individually but may be found material collectively;*
- *Some risks may have material impact qualitatively instead of quantitatively;*
- *Some risks may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of our Company used in this section is derived from our Audited Consolidated Financial Statement prepared in accordance with Indian GAAP and the Companies Act. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 3 of this Draft Letter of Offer. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The Draft Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Letter of Offer. The risk factors are classified as under for the sake of better clarity and increased understanding:*



## INTERNAL RISK FACTORS

### 1. We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, our Subsidiary, Directors, Promoter and Group Company, as at the date of this Draft Letter of Offer.

#### *Cases against our Company:*

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	Nil	Nil
Statutory/ Regulatory Authorities	Nil	Nil
Taxation Matters		
Income Tax	Nil	Nil
TDS	Nil	Nil
GST	Nil	Nil
Excise	Nil	Nil
Other Litigation	Nil	Nil

#### *Cases against our Promoters, Directors and Group Companies:*

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	Nil	Nil
Taxation Matters	6	78.29
Other Litigation	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see ***“Outstanding Litigation and Material Developments”*** beginning on page 100 of this Draft Letter of Offer.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favor or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business



operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “Outstanding Litigation and Material Developments” beginning on page 100 of this Draft Letter of Offer.

**2. Our Company is currently listed only at CSE Limited, which does not have an active on-line trading Platform for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company.**

The Calcutta Stock Exchange Limited was established in the year 1908. However, in terms of the exit circular May 30, 2012, SEBI, vide its various exit orders, derecognized regional stock exchanges during the period January 2013 to June 2015 including Inter-connected stock exchange and Over-The-Counter Exchange of India formed with the object of providing national level liquidity. CSE Limited has not been able to achieve the prescribed turnover on a continuing basis in terms of the Exit Policy. The explanation given for the failure to achieve such a turnover by CSE Limited is that SEBI had issued a notice dated April 3, 2013, under Section 12A of the Securities Contracts (Regulation) Act, 1956 regarding non-compliance of Regulation 3 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, and thereby stopping the clearing house facility of the CSE Limited. Without the clearing house, the business of clearance has come to a stop, thereby preventing trade of securities at CSE Limited.

As on date, CSE Limited is still a recognized stock exchange as it continues to meet certain guidelines specified by SEBI in the exit orders and circulars, however no trading is permitted on the said exchange. Due to the said factor, there shall not be any active trading in the Rights Shares to be issued by the Company, and hence the shareholders shall not be able to enjoy the listing gains.

**3. Our business model involves investment activities. The risks that we may face in our business include business risk, market risk, inflation risk, interest rate risk, liquidity risk, political risk, company risk, and credit risk.**

Our business model involves investment activities such as equity investment in group companies, new ventures/projects, and investment in quoted shares and securities, commodities, currency market, G Sec Bonds, liquid funds, and Debt Funds.

The risks that the company may face in its investment activities are as below:

1. **Business Risk:** This is the risk that the company may face due to the basic viability of its business model. For example, if the company invests in a new venture or project that fails to generate expected returns, it may face significant losses.
2. **Market Risk:** This is the risk of losing investments due to factors such as political risk, macroeconomic risk, and other factors that affect the performance of the overall market. For example, if the stock market experiences a downturn, the company's investments in quoted shares and securities may lose value.
3. **Inflation Risk:** This is the risk that inflation will reduce the purchasing power of the company's investments. For example, if the company invests in a bond that pays a fixed interest rate, inflation may reduce the real value of the interest payments.
4. **Interest Rate Risk:** This is the risk that changes in interest rates will affect the value of the company's investments. For example, if the company invests in a bond that pays a fixed interest rate, and interest rates rise, the value of the bond may decline.
5. **Liquidity Risk:** This is the risk that the company may be unable to buy or sell investments quickly on the open market. For example, if the company invests in a small, illiquid stock, it may be difficult to sell the stock quickly if the company needs to raise cash.
6. **Political Risk:** This is the risk that domestic or international regions may make significant changes to the business environment that affects the company's investments. For example, if any government

imposes new regulations that make it difficult for the company to operate, the company's investments may be affected.

7. **Company Risk:** This is the risk that the company may make bad business decisions, struggle to maintain positive cash flows, or continually produce goods or services that cannot meet consumer demand. For example, if the company invests in a new venture that fails to generate expected returns, the company may face significant losses.
8. **Credit Risk:** This is the risk that a company may default on its credit obligations. For example, if the company invests in a bond issued by a company that later defaults on its debt, the company may face significant losses.

**4. We are subject to periodic inspection by the RBI and any adverse action taken could affect our business and operations.**

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "RBI Act"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Any irregularities found during such investigations by such regulatory authorities could, similarly, expose us to warnings, penalties and restrictions. During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them; however, we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. There can be no assurance that in the future the RBI will not pass any orders levying penalty, on our Company, on the basis of its periodical inspection of our Company, which may in turn adversely affect our reputation, business, operations and profitability. In the event we are unable to resolve such deficiencies or irregularity or noncompliance to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do and may have an impact on our financial including our capital adequacy ratio.

**5. Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.**

Fluctuations in the market values of our investments as part of treasury management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

**6. Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.**

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. Our business requires us to obtain and renew from time to time certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. Further, these approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various authorities for operating our business activities may contain conditions, some of which could be onerous. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, it will have an adverse impact on our business operations.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would

not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For further details, see “Government and Other Approvals” on page 107 of this Draft Letter of Offer. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

**7. We depend on skilled personnel and if we are unable to recruit and retain skilled personnel, our ability to operate or grow our business could be affected.**

Our Business Operation required skilled and creative manpower. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

**8. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.**

We propose to expand our business by adopting a series of strategies. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio.

In the year 2002, M/s. Sambhawnath Marketing (P) Ltd. was amalgamated with our company pursuant to an order of Hon’ble Calcutta High Court. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses. We may also encounter other additional anticipated risks and significant competition in such markets. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

**9. Some of our corporate records including forms filed with the Registrar of Companies prior to the year 2002 are not traceable. We cannot assure you that these forms filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.**

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2002. The forms filed with the ROC like Change in Registered Office are not traced. Tripartite agreement between our Company, NSDL and Maheshwari Datamatics Private Limited are also not traced.

Our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost records and to that extent the same could adversely affect our business operations.

**10. We do not have any insurance coverage to protect us against all potential losses to which we may be subject.**

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected.

**11. Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.**

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Know Your Customer) Master Directions, 2016 dated February 25, 2016, as amended (“KYC Directions”) and the adoption of anti-money laundering policies and compliance procedures in all our branches may not be completely effective. Additionally, certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event, we are required to comply with the provisions of these state money lending laws and KYC Compliances, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, KYC Compliances, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected.

**12. We are dependent on our Promoters, directors, and key managerial personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our Promoters, Directors and key managerial personnel collectively have vast experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to Section **‘Our Management’** on page 81 of this Draft Letter of Offer. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business. Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.

**13. We have entered into, and will continue to enter into, related party transactions.**

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoter, Promoter Group, Directors, Key Managerial Personnel, and Group Companies. For further details in relation to our related party transactions, see “Audited Consolidated Financial Statements - Note 16- Related Party Transaction” under Financial Statement beginning on page 94. While we have entered into such transactions on an arm’s length basis, there is no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

**14. The Promoter and Promoter Group will continue to exercise control post completion of the Offer and will have considerable influence over the outcome of matters.**

Upon completion of this Offer, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by the applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**15. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.**

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations, and goodwill could be adversely affected.

**16. As the Equity Shares of our Company are listed on CSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.**

The Equity Shares of our Company are listed on CSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into CSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars.

The trading of the equity shares of the Company at CSE was suspended with effect from March 21, 2014 due to some non-compliance of the Listing Agreement via notice dated March 12, 2014 of CSE. Subsequently, the suspension of trading got revoked and are admitted for dealing effective from July 04, 2019 vide CSE letter ref no. CSE/LD/14703/2019 dated July 03, 2019.

Any such adverse regulatory action or development in the future could affect our business reputation, divert management attention and result in a material adverse effect on our business prospects and financial performance.

**17. The Company has taken registration from only one of the Credit Information Company ("CIC") out of four as required under the provisions of CIC Act, 2005**

The Reserve Bank of India's Department of Banking Operations and Development directly regulates credit information bureaus. As per the provisions of CIC Act, 2005 every retail loan taken by a consumer shall be reported by all banks, financial institutions and NBFCs to all four credit information bureaus. Hence, It is mandatory for all NBFCs which provides/lends money to become members by obtaining registration of all four Credit Information Company ("CIC"), namely, TransUnion CIBIL, Equifax, Experian, and CRIF High Mark and submit data with regards to every retail loan taken by a consumer (including historical data) to them. All CICs and Credit Institutions shall keep the record of credit information collected/maintained by them in a proper manner and update their records regularly on a monthly basis or at such intervals as could even be mutually decided between the Credit institutions and the CIC in terms of Regulation 10(a) (i) and (ii) of the Credit Information Companies Regulations, 2006.

However, the Company has taken registration from only one of the Credit Information Company namely Equifax.

Any adverse regulatory action from RBI for non-compliance or any adverse development in the future could affect our business operation.

**18. There shall be no market for the Rights Entitlements.**

The existing Equity Shares of our Company are listed on CSE Limited, however there is no trading on CSE Limited, for further details, kindly refer to the Risk Factor ***‘Our Company is currently listed only CSE Limited, which does not have an active on-line trading Platform for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company’*** on page 21 of this Draft Letter of Offer. Since the trading platform of CSE Limited is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. As a result of which, no assurance can be given that an active trading market for the Rights Entitlements will develop on during the Renunciation Period. Also there shall not be sufficient liquidity in Rights Entitlements trading during this period as there is no trading platform on the CSE Limited.

**19. Investors shall not have the option to receive Right Shares in physical form.**

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

**20. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.**

In accordance Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled ***‘Terms of the Issue’*** on page 116 of this draft Letter of Offer.

**21. Investment in Right Shares is exposed to certain risks.**

The Issue Price is ₹10 (Rupees Ten Only) per Rights Equity Share. The Right Shares offered under this Issue will be listed under a separate ISIN ‘[●]’. An active market for trading may not develop for the Right Shares. This may affect the liquidity of the Right Shares and restrict your ability to sell them.

**22. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.**

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a

manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date.

The Equity Shares of our Company are exclusively listed on CSE Limited. Since the trading platform of CSE Limited is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

**23. SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.**

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 116 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- (e) Credit of the Rights Entitlements returned/reversed/failed; or
- (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

**24. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding.**

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

**25. You may be subject to Indian taxes arising out of capital gains on the sale of the Right Shares and Rights Entitlement.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty

between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer, and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

**26. You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes.**

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can through off-market transaction transfer such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account.

The existing Equity Shares of our Company are listed on CSE Limited, however there is no trading on CSE Limited, for further details, kindly refer to the Risk Factor *'Our Company is currently listed only CSE Limited, which does not have an active on-line trading platform for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company'* on page 21 of this Draft Letter of Offer.

**27. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.**

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

**28. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.**

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.



**29. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

**EXTERNAL RISK FACTORS**

**30. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.**

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, lock down of cities and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The outbreak of COVID-19 in many countries, including India, the United Kingdom and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our clients, and those of our respective service providers. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, and partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. The degree to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the

outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

**31. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.**

We are dependent on domestic, regional and global economic and market conditions. Our performance and growth are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Economic growth in the country in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

**32. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.**

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Regulations and Policies" on page 53 of this Draft Letter of Offer for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increased tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result

in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**33. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.**

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**34. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.**

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

**35. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance.

**36. We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

**37. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.**

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

**38. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**39. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.**

Our business may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company’s business could cause its results of operations to suffer. Any significant change in India’s economic policies could disrupt business and economic conditions in India generally and the Company’s business in particular.

**40. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company’s business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on May 29, 2023, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in *'Terms of the Issue'* on page 116 of this Draft Letter of Offer.

<b>Equity Shares outstanding prior to the Issue</b>	18,99,980 (Eighteen Lakhs Ninety Nine Thousand Nine Hundred Eighty) equity shares of face value of ₹ 10/- each
<b>Rights Equity Shares offered in the Issue</b>	94,99,900 (Ninety Four Lakhs Ninety Nine Thousand Nine Hundred) rights shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	1,13,99,880 equity shares of face value of ₹ 10/- each
<b>Rights Entitlement</b>	5 (Five) rights shares for every 1 (One) equity share held as on the Record date
<b>Record Date</b>	[●]day, [●],[●]
<b>Fractional Entitlement</b>	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 1 (One) equity share shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Shares over and above their Rights Entitlement, if any.
<b>Face Value per Equity Share</b>	₹10/- (Rupees Ten Only) each
<b>Issue Price per Equity Share</b>	₹10/- (Rupees Ten Only) per rights share
<b>Issue Size</b>	₹9,49,99,000/- (Rupees Nine Crores Forty Nine Lakhs Ninety Nine Thousand Only)
<b>Terms of the Issue</b>	Please refer to the section titled <i>'Terms of the Issue'</i> beginning on page 116 of this Draft Letter of Offer.
<b>Use of Issue Proceeds</b>	Please refer to the section titled <i>'Objects of the Issue'</i> beginning on page 45 of this Draft Letter of Offer.
<b>Security Code/ Scrip Details</b>	ISIN: INE964E01011 CSE Scrip Code: 011594 ISIN for Rights Entitlements: [●]

### Issue Schedule:

Issue Opening Date	[●]
Last date for Off-market renunciation of Rights Entitlements*	[●]
Issue Closing Date	[●]

\* The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

## GENERAL INFORMATION

Our Company was incorporated as “Abha Property Project Limited” as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Company has got Certificate of Commencement of Business dated June 06, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identification Number of our Company is L51909WB2001PLC093941.

In the year 1985, the Company came out with an IPO and got listing at Delhi Stock Exchange. Delhi Stock Exchange is ceases to be act a functional stock exchange as the same has been de-recognised by SEBI vide its order dated 23rd January, 2017.

In the year 1989, the Company has been taken over by new management by virtue of change in directorship and controlling interest in the Shareholding in the phased manner from the year 1991 to 1997 and the present promoter Jagdish Prasad Agarwalla along with PAC's completed the acquisition of shares from erstwhile promoters of the Company pursuant to an open offer made under Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 which commenced on June 6, 2006 and expired on June 15, 2006.

Our Company got Non-Banking Financial Company (NBFC– Non Deposit Taking) registration certificate from RBI, New Delhi Regional Office, to carry on the NBFI (Non-Banking Financial Institution) activities under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.00806 dated 13.09.2000.

### Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Effective Date	From Address	To Address	Reasons for Change
Documents not found	F-33, Mansarovar Garden, New Delhi (Address at the time of Incorporation)	C-50, Preet Vihar, First Floor, Vikas Marg, Delhi	For Better Administrative and economic control
October 16, 2001	C-50, Preet Vihar, First Floor, Vikas Marg, Delhi	29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013	For Better Administrative and economic control

### Registered Office of our Company

Abha Property Project Limited  
29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013  
**Phone No.:** +91-33-6644 7200  
**Fax No.:** +91-33-6644 7201  
**Email:** [abhaproperty@gmail.com](mailto:abhaproperty@gmail.com);  
**Website:** <https://abhaproperty.in/>;  
**CIN:** L51909WB2001PLC093941  
**Regn. No.:** 093941

### Address of the Registrar of Companies (RoC)

#### Registrar of Companies, Kolkata

Registrar of Companies, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020, West Bengal, India

## Board of Directors

The Board of our Company as on the date of filing this Draft Letter of Offer comprises of the following:

NAME	AGE (YRS.)	DESIGNATION	DIN	ADDRESS
Amit Agarwalla	51	Managing Director	00338081	Flat 2B, Heritage Mayfair, 3 Mayfair Road, Ballygunge, Kolkata – 700 019
Aditya Agarwalla	48	Executive Director	00140683	Flat 12B, Hiland Sapphire, 13/2 Ballygunge Park Road, Ballygunge, Kolkata – 700 019
Vishal Agarwalla	51	Non-Executive & Non-Independent Director	00129040	Hiland Sapphire, Flat 12B, 13/2 Ballygunge Park Road, Ballygunge, Kolkata – 700 019
Sumit Agarwalla	50	Non-Executive & Non-Independent Director	00336064	Flat 2B, Heritage Mayfair, Ballygunge, Kolkata – 700 019
Mandeep Kaur Jaiswal	33	Non-Executive Independent Director	10077160	3/7, Tarkasiddhanta Lane, Bally, Howrah – 711 201
Ayushi Khaitan	30	Non-Executive Independent Director	10171829	109, Dwarik Jungle Road, Uttarpara, Kotrung M, Hoogly, Bhadrakali, West Bengal – 712232

For further details of our Board of Directors, see “Our Management” on page no. 81 of this Draft Letter of Offer.

Company Secretary and Compliance Officer	Chief Financial Officer
<b>Santanu Kumar Hazra</b> <b>Address:</b> 29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013 <b>Phone No.:</b> +91-33-6644 7200 <b>Email:</b> <a href="mailto:abhaproperty@gmail.com">abhaproperty@gmail.com</a> <b>PAN:</b> ABQPH5232G	<b>Aditya Agarwalla</b> <b>Address:</b> 29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013 <b>Phone No.:</b> +91-33-6644 7200 <b>Email:</b> <a href="mailto:abhaproperty@gmail.com">abhaproperty@gmail.com</a> <b>PAN:</b> ACMPA9304K

Lead Manager to the Issue	Registrar to the Company & Registrar to the Issue
<b>Intelligent Money Managers Private Limited</b> <b>CIN:</b> U65923WB2010PTC156220 <b>SEBI REGN. No.:</b> INM000012169 <b>Validity of Registration:</b> Permanent <b>Contact Person:</b> Mr. Amit Kumar Mishra YMCA Building, 25, Jawaharlal Nehru Road, 2nd Floor, Kolkata - 700 087 <b>Tel. No. :</b> +91-33-4065 6289 <b>Email:</b> <a href="mailto:info@intelligentgroup.org.in">info@intelligentgroup.org.in</a> <b>Website:</b> <a href="http://www.intelligentgroup.org.in/">www.intelligentgroup.org.in/</a>	<b>Maheshwari Datamatics Private Limited</b> <b>CIN:</b> U20221WB1982PTC034886 <b>SEBI REGN. No.:</b> INR000000353 <b>Validity of Registration:</b> Permanent <b>Contact Person:</b> Mr. Ravi Kumar Bahl 23, R. N. Mukherjee Road, 5 <sup>th</sup> Floor, Kolkata – 700 001 <b>Tel. No.:</b> +91-33-2248 2248/ 2243 5029 <b>Email :</b> <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a> <b>Website:</b> <a href="http://www.mdpl.in">www.mdpl.in</a>
Statutory Auditor of the Company	Legal Advisor to the Issue
<b>Rajgaria &amp; Associates</b> Chartered Accountants <b>Firm Registration No.:</b> 314241E 135A, B. R. B. Basu Road, 2nd Floor, Kolkata – 700 001 Contact Person: CA. Rajesh Kumar Rajgaria, Partner Membership No.: 051957 <b>Tel. No.:</b> +91-98311 81816 <b>Email:</b> <a href="mailto:carkrajgaria@gmail.com">carkrajgaria@gmail.com</a> <b>Peer Review Certificate No.:</b> 015470	<b>M/s. J Mukherjee &amp; Associates</b> D-1, MMS Chambers, 4A, Council House Street, Kolkata- 700001 Contact Person: Mr. Jayabrata Mukherjee <b>Tel. No.:</b> 9830640366 <b>Email:</b> <a href="mailto:jmukherjeeandassociates@gmail.com">jmukherjeeandassociates@gmail.com</a>
Banker to the Issue	
[•]	

## Changes in Statutory Auditors of the Company during the last 3 years

Except as mentioned below, there has been no change in the auditors of our Company during the last 3 years:

Sl. No.	Particulars of Auditor	Date of change	Reason
1.	<b>A. K. Gutgutia &amp; Associates</b> 135A, B. R. B. Basu Road, 2nd Floor, Kolkata – 700 001, West Bengal, India Firm Registration No: 327314E Contact Person: CA. Dibya Agarwal, Partner Membership No: 304601 Email: <a href="mailto:carkrajgaria@gmail.com">carkrajgaria@gmail.com</a> Peer Review No.: NA	June 23, 2023	Resignation of Statutory Auditors of our Company before completion of term
2.	<b>Rajgaria &amp; Associates</b> 135A, B. R. B. Basu Road, 2nd Floor, Kolkata – 700 001, West Bengal, India Firm Registration No: 314241E Contact Person: CA. Dibya Agarwal, Partner Membership No: 304601 Email: <a href="mailto:carkrajgaria@gmail.com">carkrajgaria@gmail.com</a> Peer Review No.: 015470	July 18, 2023	Appointed as Statutory Auditors of our Company pursuant to casual vacancy

## Statement of responsibility of the Lead Manager

Intelligent Money Managers Private Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter-se allocation of responsibilities is not required.

## Self-Certified Syndicate Bankers (SCSB)

The list of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches of SCSBs collecting the Application Forms, please see to the above-mentioned SEBI link.

## Experts

Our Company has received a written consent from the Statutory Auditors namely, M/s. Rajgaria & Associate, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as “experts”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as an auditor and in respect of their report on financials dated January 12, 2024 and report dated February 23, 2024 on the Statement of Possible Special Tax Benefits included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, they should not be construed as “experts” as defined under U.S. Securities Act, 1933.

## Monitoring Agency

Since the issue size is less than ₹100.00 crores, there is no requirement to appoint the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82(1) of the SEBI ICDR Regulations by our Company.

## Appraising

The objects of this issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

## Credit Rating

As this is an issue of Rights Equity Shares, there is no credit rating required for the Issue.



## Debenture Trustee

As this is an Issue of the Rights Equity Shares, the appointment of debenture trustee is not required.

## Underwriting

The Issue of Rights Equity Shares is not being underwritten and/ or no standby support is being sought for the said Issue.

## Filing

In terms of Clause 2(C) of SEBI Notification No. SEBI/LAD-NRO/GN/2020/31 dated September 28, 2020, the minimum threshold limit of Rights Issue for filing the Letter of Offer with SEBI as specified in SEBI ICDR Regulations has been increased from ₹10 Crores to ₹50 Crores. Accordingly, the copy of this Draft Letter of Offer shall be filed with the CSE, being the stock exchange where the equity shares of the Company are presently listed. The Letter of Offer shall also be filed with SEBI for information purpose only.

## Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group

## Issue schedule

<b>Last date for Credit of Rights Entitlement:</b>	[●]
<b>Issue Opening Date:</b>	[●]
<b>Last date for Off- market renunciation of rights #</b>	[●]
<b>Issue Closing Date*:</b>	[●]
<b>Finalization of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about):</b>	[●]
<b>Date of Credit (on or about):</b>	[●]
<b>Date of Listing/ Trading (on or about):</b>	[●]

# The Equity Shares of our Company are exclusively listed only on the CSE. Since the trading platform of CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\* Our Board of Directors or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than [●], being 2 (Two) Working Days prior to [●], being the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat

*suspense escrow account to their respective demat accounts, at least by [●], being 1 (One) day before [●], being the Issue Closing Date.*

*Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled 'Terms of the Issue' beginning on page 116 of this Draft Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at [www.mdpl.in](http://www.mdpl.in) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled 'Terms of the Issue' beginning on page 116 of this Draft Letter of Offer.*

*Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.*

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
1,14,00,000 (One Crore Fourteen Lakhs) Equity Shares of face value of ₹10/- each*	₹11,40,00,000	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
18,99,980 (Eighteen Lakhs Ninety Nine Thousand Nine Hundred Eighty) Equity Shares of face value of ₹10/- each	₹1,89,99,800	-
<b>Present Issue in terms of this Draft Letter of Offer<sup>(a) (b)</sup></b>		
94,99,900 (Ninety Four Lakhs Ninety Nine Thousand Nine Hundred) Issue of Equity Shares, each at an Issue Price of ₹10/- (Rupees Ten Only) per Equity Share	₹9,49,99,000	₹9,49,99,000
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
1,13,99,880 (One Crore Thirteen Lakhs Ninety Nine Thousand Eight Hundred Eighty) Equity Shares of face value of ₹10/- each	₹11,39,98,800	
<b>Securities premium account</b>		
Before the Issue		Nil
After the Issue <sup>(c)</sup>		Nil

### Notes:

\*On August 25, 2023, the Company has got approval of the shareholders of the Company at the 37<sup>th</sup> Annual General Meeting for increasing the authorized Equity Share capital of the Company shown as below:

- i. 19,00,000 (Nineteen Lakhs) Equity Shares having face value of ₹10.00 (Rupees Ten Only) amounting to ₹1,90,00,000 (Rupees One Crore Ninety Lakhs) to 1,14,00,000 (One Crore Fourteen Lakhs) Equity Shares having Face Value of ₹10.00(Rupees Ten Only) amounting to ₹11,40,00,000 (Rupees Eleven Crores Forty Lakhs Only);
  - (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on May 29, 2023 in pursuance of Section 62 of the Companies Act, 2013.
  - (b) Assuming full subscription for allotment of Right Shares;
  - (c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

### 2. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

**3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

None of the Promoters and Promoter Group of the Company has acquired any Equity Shares in the last one year prior to the filing of this Draft Letter of Offer.

**4. Intention and extent of participation by the promoter and promoter group**

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated [●] (the "**Subscription Letters**") indicated their intention to subscribe/ to the full extent of their Rights Entitlement and not to renounce any portion of their rights entitlement. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

5. The Calcutta Stock Exchange Limited is non-operational, hence there has been no trading in the Equity Shares on CSE for last many years. Further, The ex-rights price arrived in accordance with the formula prescribed under clause (b) of Sub-Regulation 4 of Regulation 10 of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●] Only).
6. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing the Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
7. Our Company does not have any stock option scheme.
8. At any given time, there shall be only one denomination of the equity shares of our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

## 10. Shareholding Pattern of our company

a. The shareholding pattern of our Company as on December 31, 2023, is as follows:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of			No. (a)	As a % of total shares	No. (a)	As a % of total	
								Class eg: x	Class eg: y	Total								
(A)	Promoter & Promoter group	7	1418120	0	0	1418120	74.6387	1418120	0	1418120	74.6387	0	74.6387	0	0.0000	0	0.0000	1418120
(B)	Public	21	481860	0	0	481860	25.3613	481860	0	481860	25.3613	0	25.3613	0	0.0000	NA		481360
(C)	Non Promoter - Non Public															NA		
(C1)	Shares underlying DRs						NA									NA		
(C2)	Shares held by Employee Trusts															NA		
	Total	28	1899980	0	0	1899980	100.0000	1899980	0	1899980	100.0000	0	100.0000	0				1899480

b. Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders (I)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (as a percentage)	Shareholding as a % assuming full conversion of convertible securities (as a percentage)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
										No of Voting Rights		Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
										Class x	Class y									
(1)	Indian																			
(a)	Individuals/Hindu undivided Family			7	1418120	0	0	1418120	74.6387	1418120	0	1418120	74.6387	0	74.6387	0	0.0000	0	0.0000	1418120
	JAGDISH PRASAD AGARWALLA	Promoter	ACMPA9295R	1	683730	0	0	683730	35.9862	683730	0	683730	35.9862	0	35.9862	0	0.0000	0	0.0000	683730
	SITA AGARWALLA	Promoter	ACMPA9302R	1	479840	0	0	479840	25.2550	479840	0	479840	25.2550	0	25.2550	0	0.0000	0	0.0000	479840
	SWATI AGARWALLA	Promoter Group	ACMPA9297P	1	96000	0	0	96000	5.0527	96000	0	96000	5.0527	0	5.0527	0	0.0000	0	0.0000	96000
	BASANT KUMAR AGARWALLA HUF	Promoter Group	AABHB8301G	1	80050	0	0	80050	4.2132	80050	0	80050	4.2132	0	4.2132	0	0.0000	0	0.0000	80050
	JAGDISH PRASAD AGARWALLA HUF	Promoter Group	AABHJ3737N	1	68500	0	0	68500	3.6053	68500	0	68500	3.6053	0	3.6053	0	0.0000	0	0.0000	68500
	DHRUV AGARWALLA	Promoter Group	AJUPA7184J	1	5000	0	0	5000	0.2632	5000	0	5000	0.2632	0	0.2632	0	0.0000	0	0.0000	5000
	ANSHUMAN AGARWALLA	Promoter Group	AJUPA7185K	1	5000	0	0	5000	0.2632	5000	0	5000	0.2632	0	0.2632	0	0.0000	0	0.0000	5000
(b)	Central Government/State Government(s)												0	0.0000	0	0.0000	0	0.0000	0	
(c)	Financial Institutions/Banks												0	0.0000	0	0.0000	0	0.0000	0	
(d)	Any Other (specify)												0	0.0000	0	0.0000	0	0.0000	0	
	Sub Total			7	1418120	0	0	1418120	74.6387	1418120	0	1418120	74.6387	0	74.6387	0	0.0000	0	0.0000	1418120
(2)	Foreign																			
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)												0	0.0000	0	0.0000	0	0.0000	0	
(b)	Government												0	0.0000	0	0.0000	0	0.0000	0	
(c)	Institutions												0	0.0000	0	0.0000	0	0.0000	0	
(d)	Foreign Portfolio Investor												0	0.0000	0	0.0000	0	0.0000	0	
(e)	Any Other (specify)												0	0.0000	0	0.0000	0	0.0000	0	
	Sub Total			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)			7	1418120	0	0	1418120	74.6387	1418120	0	1418120	74.6387	0	74.6387	0	0.0000	0	0.0000	1418120

c. Statement showing shareholding pattern of the Public shareholder

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)				
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)	Shareholding (No of shares) under			
									Class x	Class y	Total									Sub-Category (i)	Sub-Category (ii)	Sub-Category (iii)	
(1)	Institutions (Domestic)																						
	Sub Total			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA		0	0	0	0	
(2)	Institutions (Foreign)																						
	Sub Total			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA		0	0	0	0	
(3)	Central Government / State Government(s)																						
	Sub Total			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA		0	0	0	0	
(4)	Non-Institutions																						
	Resident Individuals holding nominal share capital upto Rs.2 lakhs			15	12020	0	0	12020	0.6326	12020	0	12020	0.6326	0	0.6326	0	0.0000	NA		11520	0	0	0
	Resident Individuals holding nominal share capital in excess of Rs.2 lakhs			4	171500	0	0	171500	9.0264	171500	0	171500	9.0264	0	9.0264	0	0.0000	NA		171500	0	0	0
	SANJAY SINGH	18794-S/CA		1	49500	0	0	49500	2.6053	49500	0	49500	2.6053	0	2.6053	0	0.0000	NA		49500	0	0	0
	BABOO SHAHEB JHA			1	48500	0	0	48500	2.5527	48500	0	48500	2.5527	0	2.5527	0	0.0000	NA		48500	0	0	0
	KAMAL KISHORE CHOUBEY	1217-C/CAL		1	40000	0	0	40000	2.1053	40000	0	40000	2.1053	0	2.1053	0	0.0000	NA		40000	0	0	0
	SHEILA SRIVASTAV			1	33500	0	0	33500	1.7632	33500	0	33500	1.7632	0	1.7632	0	0.0000	NA		33500	0	0	0
	Non Resident Indians (NRIs)																						
	Foreign National																						
	Foreign Company / OCB																						
	Bodies Corporate			2	298340	0	0	298340	15.7023	298340	0	298340	15.7023	0	15.7023	0	0.0000	NA		298340	0	0	0
	TIRUPATI MANSION PVT LTD	AACCT8171G		1	178000	0	0	178000	9.3685	178000	0	178000	9.3685	0	9.3685	0	0.0000	NA		178000	0	0	0
	ORCHID MERCHANTS PRIVATE LIMITED	AAACO9910C		1	120340	0	0	120340	6.3338	120340	0	120340	6.3338	0	6.3338	0	0.0000	NA		120340	0	0	0
	Any Other (specify)																						
	Sub Total			21	481860	0	0	481860	25.3613	481860	0	481860	25.3613	0	25.3613	0	0.0000	NA		481360	0	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)			21	481860	0	0	481860	25.3613	481860	0	481860	25.3613	0	25.3613	0	0.0000	NA		481360	0	0	0

- d. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges: i.e. as on December 31, 2023.

Sl. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Jagdish Prasad Agarwalla	6,83,730	35.9862
2.	Sita Agarwalla	4,79,840	25.2550
3.	Tirupati Mansion Private Limited	1,78,000	9.3685
4.	Orchid Merchants Private Limited	1,20,340	6.3338
5.	Swati Agarwalla	96,000	5.0527
6.	Basant Kumar Agarwalla HUF	80,050	4.2132
7.	Jagdish Prasad Agarwalla HUF	68,500	3.6053
8.	Sanjay Singh	49,500	2.6053
9.	Baboo Shaheb Jha	48,500	2.5527
10.	Kamal Kishore Choubey	40,000	2.1053
11.	Sheila Srivastav	33,500	1.7632



## OBJECTS OF THE ISSUE

The Issue comprises of an issue of up to 94,99,900 Equity Shares, aggregating up to ₹949.99 Lakhs by our Company. For further details see "**The Issue**" beginning on page 33 of this Draft Letter of Offer.

Our Company intends to utilize the proceeds of the Issue towards the following objects:

The objects of the issue are:

1. To augment our capital base and for increasing our operational scale with respect to our NBFC activities;
2. General corporate purposes.

(Collectively, referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects. The main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

### Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in Lakhs)	
Particulars	Amount
Gross Proceeds from the Issue#	949.99
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

# Assuming full subscription and Allotment.

*\*The Issue size will not exceed ₹949.99 Lakhs. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

### Requirement of funds & utilization of Net Proceeds

The proposed utilization of Issue Proceeds is set forth below:

(₹ in Lakhs)		
Sr. No.	Particulars	Amount
1.	To augment the capital base of our company	[●]
2.	General Corporate Purposes#	[●]
	<b>Total Net Proceeds*</b>	[●]

# The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds.

*\*To be determined on finalization of the Issue Expenses and updated in the Letter of Offer at the time of filing with the Stock Exchange.*

### Schedule of Utilization and Deployment of Funds

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)				
Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY ending March 31, 2024	Estimated deployment of Net Proceeds for the FY ending March 31, 2025
1.	To augment our capital base and for increasing our operational scale with respect to our NBFC activities	[●]	[●]	[●]
2.	General Corporate Purposes#	[●]	[●]	[●]
	<b>Total Net Proceeds*</b>	[●]	[●]	[●]

*\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change.

Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilized (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

For further details, see “**Risk Factors**” beginning on page 19 of this Draft Letter of Offer.

### **Means of Finance**

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

### **Details of the Objects of the Issue**

The details in relation to objects of the Issue are set forth herein below.

#### **1. To augment our capital base and for increasing our operational scale with respect to our NBFC activities.**

Our Company is a RBI Registered NBFC primarily involved in the business of making equity investment in small business and large corporate. We propose to augment our capital base by ₹[●] Lakhs through this Issue and utilize the funds raised to make investment in the form of debt and equity in various companies either directly or through its wholly owned subsidiary. We are not bound by predefined restrictions in regard to our search for investment opportunities. We invest in companies in a variety of markets and stages both listed and unlisted. Our management approach can take the form either of driving change or partnership with existing owners.

No portion of the amount earmarked towards this object will be utilised for giving loans to our Promoters, Subsidiaries, Associates, Group Companies and Promoter Group Companies.

#### **2. General Corporate Purposes:**

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

### **Expenses for the issue:**

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, statutory and processing fee to the SCSBs, Registrars to the Issue, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹[●] Lakhs towards these

expenses, a break-up of the same is as follows:

(₹ in Lakhs)				
Sl. No.	Particulars	Estimated expense	% of Total Expenses (%)	As a % of Issue size# (%)
1.	Fees payable to the intermediaries (including Lead Manager fees, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditors fees, and other allied expenses)	[•]	[•]	[•]
2.	Regulatory fees, filing fees, listing fees, depository fees and other miscellaneous expenses and Stamp Duty	[•]	[•]	[•]
3.	Expenses relating to statutory advertising, printing, marketing, distribution and stationery expenses	[•]	[•]	[•]
	<b>Total estimated issue expenses<sup>**^#</sup></b>	[•]	[•]	[•]

*\*Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.*

*^Excluding taxes.*

*#Assuming full subscription.*

### Appraisal

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

### Strategic and/ or Financial Partners

There are no Strategic and Financial partners to the objects of the Issue.

### Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

### Interim Use of Funds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

### Monitoring of utilization of funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

**Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Bengali, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Key Industry Regulations for the Objects of the Issue**

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

**Other Confirmations**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Abha Property Project Limited,**  
29, Ganesh Chandra Avenue, 4th Floor, Room No 407,  
Kolkata – 700 013

Dear Sir(s),

### **Statement of Possible Special Tax Benefits available to Company and its shareholders under the Applicable Direct & Indirect Tax Laws in India**

**Subject: Proposed Rights issue of equity shares of face value of ₹10.00 (Rupees Ten only) (hereinafter referred to as ‘Equity Shares’) of Abha Property Project Limited (‘Company’) (and such offering as the ‘Issue’)**

This certificate is issued in accordance with the terms of our engagement letter dated 13<sup>th</sup> February, 2024.

The preparation of the Statement of possible special tax benefits available to the Company and its shareholders (the ‘Statement’) is the responsibility of the management of the ‘Company’ for the ‘Issue’, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the ‘Statement’ and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,’ issued by the ICAI.

The Management of the ‘Company’ has prepared the ‘Statement’ under direct tax laws i.e. Income Tax Act, 1961 read with Income Tax Rules, 1962 (‘Income Tax Laws’), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India (collectively referred to as Indirect Tax’).

The ‘Company’ has requested us to confirm that the benefits, as stated in the ‘Statement’ attached hereto in Annexure I and II, are available to the Company and its shareholders.

We hereby confirm that the ‘Statement’ enclosed in the Annexures, prepared by the ‘Company’, provides the possible special tax benefits available to the ‘Company’. The benefits discussed in the enclosed ‘Statement’ cover only special tax benefits available to the ‘Company’ and its shareholders and are not exhaustive and also do not cover any general tax benefits available to the ‘Company’. Further, any benefits available under any other laws within or outside India have not been examined and covered by this ‘Statement’.

This ‘Statement’ is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The ‘Company’ or its shareholders will continue to obtain these benefits in future;
2. The conditions prescribed for availing the benefits have been/would be met with; and
3. the revenue authorities/courts will concur with the views express herein.

The contents of the enclosed ‘Statement’ are based on information, explanations and representations obtained from the ‘Company’ and on the basis of our understanding of the business activities and operations of the ‘Company.’

We hereby consent to the extracts of this certificate being used in the draft letter of offer/ letter of offer of the ‘Company’ in connection with the ‘Issue’ or in any other documents in connection with the ‘Issue’, and the submission

of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Lead Manager in connection with the 'Issue' and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents related to the 'Issue.'

This certificate may also be relied upon by the 'Company', Lead Manager, their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**M/s Rajgaria & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 314241E**

Sd/-  
**CA. R K Rajgaria**  
**Partner**  
**Membership Number: 051957**

**UDIN: 24051957BKDGCP9573**

**Date: 23<sup>rd</sup> February, 2024**  
**Place: Kolkata**

**Encl.: As above**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ABHA PROPERTY PROJECT LIMITED ('COMPANY') AND ITS SHAREHOLDERS

#### 1. Under the Income Tax Act, 1961 ('Act')

##### a. Special tax benefits available to the 'Company' under the 'Act'

There are no special tax benefits available to the 'Company.'

##### b. Special tax benefits available to the shareholders under the 'Act'

There are no special tax benefits available to the shareholders of the 'Company.'

#### Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws in force as on date of this Annexure relevant for the assessment year 2024-25;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the 'Company';
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**M/s Rajgaria & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 314241E**

Sd/-

**CA. R K Rajgaria**  
**Partner**  
**Membership Number: 051957**

**UDIN: 24051957BKDGCP9573**

**Date: 23<sup>rd</sup> February, 2024**  
**Place: Kolkata**

## ANNEXURE II

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO ABHA PROPERTY PROJECT LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

- a. Special tax benefits available to the Company under the 'Indirect Tax'

There are no special indirect tax benefits available to the 'Company.'

- b. Special tax benefits available to the shareholders under the 'Indirect Tax'

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the 'Company.'

#### Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**M/s Rajgaria & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 314241E**

Sd/-  
**CA. R K Rajgaria**  
**Partner**  
**Membership Number: 051957**

**UDIN: 24051957BKDGCP9573**

**Date: 23<sup>rd</sup> February, 2024**  
**Place: Kolkata**



## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector-specific statutes, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to us in order to carry out our business and operations in India. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description set out below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 107 of this Draft Letter of Offer.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and other Approvals” beginning on page 107 of this Draft Letter of Offer.

### BUSINESS RELATED LAW

#### *The Reserve Bank of India Act, as amended (the “RBI” Act)*

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify. A company categorized as an NBFC is required to have a net owned fund of ₹2.5 million or such other amount, not exceeding ₹1,000 million, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC. Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

#### *Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (the “Master Directions”)*

The Master Directions are applicable to the following categories of NBFCs (“Applicable NBFCs”):

- i. Systemically Important Non-Deposit taking Non-Banking Financial Company (“NBFC-ND-SIs”) registered with the RBI under the provisions of the RBI Act;
- ii. Non-Banking Financial Company – Micro Finance Institutions registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above;
- iii. Deposit taking NBFCs registered with the RBI under the provisions of the RBI Act;
- iv. NBFC-Factors (as defined in the Master Directions) and registered under Section 3 of the Factoring Regulation Act, 2011, as amended, having an asset size of ₹5,000 million and above;
- v. Infrastructure Debt Fund – Non-Banking Financial Company (as defined in the Master Directions) registered with the RBI under the provisions of RBI Act; and
- vi. NBFC – Infrastructure Finance Company (as defined in the Master Directions) registered with the RBI under the provisions of the RBI Act, having an asset size of ₹5,000 million and above.

An NBFC-ND-SI has been defined under the Master Directions to mean an NBFC not accepting or holding public deposits and having total assets of ₹5,000 million and above as shown in the last audited balance sheet and a minimum net owned fund of ₹20 million.

### *Corporate Governance*

#### Constitution of Committees

All Applicable NBFCs are required to constitute the committees disclosed below:

- i. Audit Committee: An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the Master Directions as well, and its powers and functions shall be as provided under Section 177 of the Companies Act, 2013.
- ii. Nomination Committee: NBFCs are required to constitute a nomination committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act, 2013.
- iii. Risk Management Committee: NBFCs are required to constitute a risk management committee to manage the integrated risk.
- iv. Asset Liability Management Committee: NBFCs are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Master Directions.

#### Fit and Proper Criteria

Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the Master Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the Master Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the Master Directions; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the regional office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

#### Disclosures and Transparency

Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following:

- i. progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned Applicable NBFC; and
- ii. conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

Applicable NBFCs are required to disclose the following in their annual financial statements:

- i. registration/licence/authorization obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries and
- v. asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the Master Directions.

Applicable NBFCs shall rotate the partners of the chartered accountant firm conducting the audit, every three years so that the same partner shall not conduct audit of such NBFC continuously for more than three years. Further, such NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

#### Acquisition or Transfer of Control

RBI notified Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 on January 16, 2023. Under these directions, any person who intends to make an acquisition that is likely to result in major shareholding in a banking company, is required to seek previous approval of the RBI by submitting an application to it. These directions are issued to ensure that the ultimate ownership and control of banking companies are well diversified and the major shareholders of banking companies are 'fit and proper' on a continuing basis. Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation.

## Prudential Norms

All NBFCs are required to maintain CRAR consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital in respect of Applicable NBFCs, at any point of time, shall not be less than 10%.

## ***Liquidity Risk Management Framework and Liquidity Coverage Ratio***

### Liquidity Risk Management Framework

Applicable non-deposit taking NBFCs are required to adhere to the liquidity risk management guidelines prescribed under the Master Directions. The guidelines, *inter alia*, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

### Liquidity Coverage Ratio

Pursuant to the RBI circular dated November 4, 2019, on ‘Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies’, all non-deposit taking NBFCs with asset size of ₹100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the time-line prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
<b>Minimum Liquidity Coverage Ratio</b>	50%	60%	70%	85%	100%

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the time-line given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
<b>Minimum Liquidity Coverage Ratio</b>	30%	50%	60%	85%	100%

### ***Asset Classification and Provisioning Norms***

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

#### ***Asset Classification***

- i. a **“standard asset”** means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and
- ii. a **“sub-standard asset”** means (a) an asset which has been classified as non-performing asset for a period not exceeding 12 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the Master Direction.
- iii. a **“doubtful asset”** means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 12 months.
- iv. a **“loss asset”** means (a) an asset which has been identified as loss asset by an Applicable NBFC or its internal or external auditor or by the RBI during the inspection of the Applicable NBFC, to the extent it is not written off by the Applicable NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
- v. a **“non-performing asset”** means: (a) an asset for which interest or principal payment has remained overdue for a period of three months or more; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period

of three months or more or on which interest amount remained overdue for a period of six months or more; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more; (d) a bill which remains overdue for a period of three months or more; (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of three months or more; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more; (g) the lease rental and hire purchase instalment, which has become overdue for a period of three months or more; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset. Provided that in the case of lease and hire purchase transactions, an Applicable NBFC is required to classify each such account on the basis of its record of recovery.

#### Provisioning Norms

In addition to provisioning norms under applicable accounting standards, and under the Master Directions, all Applicable NBFCs are required to, after taking into account the time lag between an account becoming nonperforming, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided hereunder:

S. No.	Provisioning Requirement	
<b>1. Loans, advances and other credit facilities including bills purchased and discounted</b>		
(i) Loss Assets	The entire asset is to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is to be provided for.	
(ii) Doubtful Assets	(a) 100% provision to the extent to which the advance is not covered by the realizable value of the security to which the Applicable NBFC has a valid recourse is to be made. The realizable value is to be estimated on a realistic basis. (b) In addition to (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e., estimated realizable value of the outstanding) is to be made on the following basis –	
	<b>Period for which the asset has been considered as doubtful</b>	<b>Per cent of provision</b>
	Up to one year	20%
	One to three years	30%
	More than three years	50%
(iii) Sub-standard Assets	A general provision of 10% of total outstanding is to be made.	
<b>2. Lease and hire purchase assets -</b>		
(i) Hire purchase Assets	I. In respect of hire purchase assets, the total dues (overdue and future instalments taken together) as reduced by - (a) the finance charges not credited to the profit and loss account and carried forward as unmatured finance charges; and (b) the depreciated value of the underlying asset, is to be provided for. <u>Explanation:</u> (i) the depreciated value of the asset is to be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of 20% per annum on a straight line method; and (ii) in the case of second hand asset, the original cost is to be the actual cost incurred for acquisition of such second hand asset.	
	II. Additional provision for hire purchase and leased assets:	
	Where hire charges or lease rentals are overdue upto 12 months	Nil
	Where hire charges or lease rentals are overdue for more than 12 months upto 24 months	10% of the net book value
	Where hire charges or lease rentals are overdue for more than 24 months but upto 36 months	40% of the net book value
	Where hire charges or lease rentals are overdue for more than 36 months but upto 48 months	70% of the net book value
	Where hire charges or lease rentals are overdue for more than 48 months	100% of the net book value
	III. On expiry of a period of 12 months after the due date of the last instalment of hire purchase/leased asset, the entire net book value is to be fully provided for	

#### *Standard Asset Provisioning*

All Applicable NBFCs are required to make provisions for standard assets at 0.40% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

#### *Balance Sheet Disclosures*

(i) Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the Master Directions, without netting them from income or against the value of assets.

(ii) The provisions are to be distinctly indicated under separate heads of account as:

(a) Provisions for bad and doubtful debts; and

(b) Provisions for depreciation in investments.

(iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.

(iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.

(v) Additionally, Applicable NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (iii) maturity pattern of assets and liabilities.

#### *Regulation of Excessive Interest Charged by NBFCs*

(i) The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account. Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

#### *Accounting Standards*

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the Master Directions.

#### *Fair Practices Code*

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Master Directions. The Master Directions stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Master Directions also prescribe general conditions to be observed by Applicable NBFCs in respect of loans, and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism. Such fair practices code should shall be in vernacular language or language understood by borrowers of the Applicable NBFCs.

Further, all Applicable NBFCs are to frame internal guidelines on corporate governance, enhancing the scope of the guidelines without sacrificing the underlying spirit of the guidelines stipulated in the Master Directions. The guidelines framed are required to be published on the NBFC's website for the information of various stakeholders.

***Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended (“RBI KYC Directions”)***

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, they being customer acceptance policy, risk management, customer identification procedures, and monitoring of transactions. It is advised that all NBFC’S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on 20 April 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules *vide* Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident’s Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer’s identity, for customer onboarding.

***RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5, 2020***

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

***Accounting Standards and Accounting policies***

Subject to the changes in Indian Accounting Standards (“IAS”) and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs has amended the existing IAS *vide* Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to our Company from April 1, 2018.

The Ministry of Corporate Affairs (“MCA”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹500 crore, shall comply with Ind AS for accounting periods beginning from April 1, 2021 onwards with

comparatives for the periods ending on March 31, 2021 or thereafter. Accordingly, Ind AS is applicable to our Company with effect from April 1, 2021.

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***Prevention of Money Laundering Act, 2002 (“PMLA”)***

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the PMLA is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request. RBI Notification dated December 3, 2015 titled “Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards” states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document ‘Improving Global AML/CFT Compliance: on-going process’ as on October 23, 2015.

***Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (“SBR Framework”)***

The RBI released the SBR Framework i.e. Framework for Scale Based Regulation for Non-Banking Financial Companies dated October 22, 2021 and put in place a revised regulatory framework for NBFCs. The SBR Framework contemplates the following layers of NBFCs:

**i. Base Layer:** The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

**ii. Middle Layer:** The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund- Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

**iii. Upper Layer:** The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

**iv. Top Layer:** The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. The Revised Regulatory Framework for NBFCs also prescribes specific regulatory changes for each of the different layers in the regulatory structure, that is, capital guidelines, prudential guidelines, governance guidelines and the transition path.

***Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 (“Monitoring of Frauds Directions”)***

The Monitoring of Frauds Directions are applicable to all ***Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016, as amended (the “KYC Directions”)***. The KYC Directions require regulated entities (as defined in such directions) to follow certain customer identification procedures while undertaking a transaction. These directions are applicable to every entity regulated by RBI, including scheduled commercial banks, regional rural banks, local area banks, primary (urban) cooperative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous nonbanking companies and residuary non-banking companies, amongst others. Every entity regulated thereunder is required to adopt a ‘know your customer’ (“KYC”) policy, duly approved by its board of directors, which shall include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. Regulated entities are required to ensure compliance with the KYC policy through specifying ‘senior management’ for the purposes of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of compliance with KYC and anti-money laundering policies and procedures, including legal and regulatory requirements; concurrent/internal audit system for compliance to verify compliance with KYC and anti-money laundering; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated deposit taking NBFCs and NBFC-nD-SIs, and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the RBI. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI in case amount of fraud ₹ 10 million and above. In cases where the amount of fraud is less than ₹10 million, reports shall be sent to the regional office of the Department of Non-Banking Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. The Monitoring of Frauds Directions also requires submission of a copy of quarterly reports on frauds outstanding to the regional office of the RBI within 15 days of the end of each quarter to which it relates, in the format prescribed.

***Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016 (“Returns Master Direction”)***

The Returns Master Direction lists detailed instructions in relation to submission of returns prescribed by the RBI for various categories of NBFCs, including their periodicity, reporting time, due date, and the purpose of filing such returns.

***Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017 (“IT Framework Directions”)***

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology (“IT”) audit and other processes to best practices for the NBFC sector. Systemically important NBFCs (i.e., NBFCs with an asset size of above 5,000 million) are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions require all systemically important NBFCs to undertake IT governance through formation of an IT strategy committee and formulation of a board approved IT policy. They also require systemically important NBFCs to conduct an information system audit at least once in a year. In addition to the above IT Framework Directions, we are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

***Master Direction - Non- Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016 dated September 29, 2016 (“Auditor’s Report Directions”)***

The Auditor’s Report Directions set out disclosures that are to be included in every auditor’s report on the accounts of an NBFC such as: (i) the validity of such NBFC’s certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (ii) compliance with net owned fund requirements as laid down in the Master Directions.



***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017 (“Outsourcing Directions”)***

The Outsourcing Directions specify the activities that cannot be outsourced and provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the Outsourcing Directions is required to formulate an outsourcing policy which is to be approved by its board of directors.

***Guidelines on Risk-based Internal Audit (“RBIA”) System for Select NBFCs and Urban Co-operative Banks (the “RBIA Guidelines”)***

RBIA for non-deposit taking NBFCs with an asset size of ₹50 billion and above (the “RBIA Applicable NBFCs”), was mandated by the RBI through its notification dated February 3, 2021 bearing reference number DoS.CO.PPG./SEC.05/11.01.005/2020-21. Under the RBIA Guidelines, RBIA Applicable NBFCs are required to implement the RBIA framework by March 31, 2022. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by RBIA Applicable NBFCs. Under the RBIA Guidelines, the board of directors of the RBIA Applicable NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It's also mandated that the policy be reviewed periodically, and that the internal audit function not be outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of RBIA Applicable NBFCs should be conducted at least on an annual basis.

***Circular dated June 24, 2021 on Declaration of Dividends by NBFCs (“Dividend Circular”)***

The Dividend Circular specifies, inter alia, certain minimum prudential requirements (relating to its capital adequacy, net NPA and other criteria) for an NBFC to be eligible to declare dividend, the maximum permissible dividend payout ratio, the considerations to be taken into account by the board of directors of an NBFC while considering the proposal to declare dividend (such as supervisory findings of the RBI on divergence in classification and provisioning of NPAs, qualifications in the auditors' report to the financial statements, and long term growth plans) and the manner of reporting details of dividends declared. The Dividend Circular will be applicable to NBFCs for the declaration of dividends from the profits of the financial year ending March 31, 2022 and onwards.

***Master Circular dated April 1, 2022 on Bank Finance to Non- Banking Financial Companies***

The circular lays down RBI's regulatory policy regarding financing of NBFCs by banks. The circular specifies, inter alia, certain guidelines for bank finance to NBFCs registered with RBI and bank finance to NBFCs not requiring registration. The circular further specifies activities which are not eligible for bank credits (such as certain bills discounted/rediscouted by NBFCs, investments of NBFCs both of current and long-term nature and unsecured loans by NBFCs to any company) and other prohibitions on bank finance to NBFCs. The aforesaid circular also prescribes the prudential ceilings for exposure of banks to NBFCs.

***The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the “Ombudsman Scheme”)***

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018 with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point. The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of certain services rendered by particular categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021 has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities. The Ombudsman Scheme, inter alia, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

***Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.***

The circular puts in place ownership - neutral regulations, ensuring independence of auditors, avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities. These guidelines shall streamline the procedure for appointment of Statutory Auditors across all the Regulated Entities and ensure that appointments are made in a timely, transparent and effective manner.

***Revised Guidelines on Securitization of Standard Assets dated May 7, 2012 and August 21, 2012, issued by the RBI (“Revised GSSA”)***

The RBI had issued the Revised GSSA to banks and made it applicable to NBFCs by circular dated August 21, 2012. The Revised GSSA regulates assignment transactions, which were not covered under the earlier guidelines issued by the RBI. The Revised GSSA imposes a restriction on the offering of credit enhancement in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows. Further, the Revised GSSA provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. They also provide a mandatory retention requirement for securitization and assignment transactions.

***Revised Guidelines on Priority Sector Lending - Targets and Classification, dated April 23, 2015, issued by the RBI (“Priority Sector Lending guidelines”)***

The Priority Sector Lending guidelines observed that the bank credit extended to MFIs for on-lending purposes to individuals and members of SHGs or JLGs would be eligible to be categorised as priority sector advance under respective categories being agriculture, micro, small, medium enterprises and others, as indirect finances, provided not less than 85% of total assets (other than cash balances with banks and financial institutions, government securities and money market instruments) of MFIs are in the nature of “qualifying assets” and the aggregate amount of loan, extended for income generating activity, is not less than 50%, of the total loans given by such MFIs.

***The Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002***

This regulation prescribes *inter alia* registration, qualification, practical training, examination remuneration and code of conduct for persons including entities which are engaged in the activity of sales and marketing of insurance products, approved by the Insurance Regulatory and Development Authority of India (“IRDAI”). On August 20, 2015, the IRDAI (Registration of Corporate Agents) Regulations, 2015 were notified, which shall come into force from April 1, 2016. Pursuant to these regulations, a corporate agent who has been issued a license under the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002 is required to obtain a fresh certificate of registration to operate as a corporate agent by applying to the IRDAI.

***The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002***

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the “SARFAESI Act”) regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a Non-Performing Asset (“NPA”). Securitisation Companies and Reconstruction Companies (“SCs/RCs”) are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction. As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only. A bank or financial institution may sell financial assets only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower and enforcement of security. Additionally, under the provisions of the SARFAESI Act, any securitization company or reconstruction company may act as

an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties. Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 652(E) dated February 12, 2021, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹100 Crores and above) has been reduced from ₹50 lakhs to ₹20 Lakhs.

### ***SEBI Regulations***

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1992 as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

### ***SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulations")***

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("SEBI Debt Regulations") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("NCRPS Regulations") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and nonconvertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI. In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

### ***SEBI Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021 ("SEBI Operational Circular"). SEBI Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/or Commercial Paper on July 29, 2022.***

Following the SEBI's notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued the SEBI Operational Circular which has been further amended by circular number SEBI/HO/DDHS/P/CIR/2021/0692 dated December 17, 2021, circular number SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/031 dated March 22, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022 and circular number SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/00152 dated November 10, 2022. Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

## **EMPLOYMENT LAWS**

### ***The Equal Remuneration Act, 1976***

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")***

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### ***Fire Prevention Laws and The National Building Code of India, 2016***

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. The National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

## **ANTI-TRUST LAWS**

### ***Competition Act, 2002***

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to ` 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### ***The Companies Act, 2013***

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other

previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

#### ***The Arbitration and Conciliation Act, 1996***

The purpose of the 1996 Act is to amend and unify domestic arbitration and international commercial arbitration and enforce foreign arbitral awards. The law was also amended in 2015 and 2019 to reduce court involvement in the arbitration. Section 89 of the Civil Procedure Code focuses on the importance of arbitration.

#### ***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments act, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

#### ***The Registration Act, 1908***

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

#### ***The Indian Stamp Act, 1899***

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **TAX RELATED LEGISLATIONS**

#### ***Income Tax Act, 1961 ("IT Act")***

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

#### ***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer

has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **MUNICIPALITY LAWS**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted law empowering the municipalities to issue tradelicense for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **INTELLECTUAL PROPERTY LEGISLATIONS**

#### **Trade Marks Act, 1999 ("Trade Marks Act")**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

### **OTHER LAWS**

#### **Foreign Exchange Management Act, 1999 ("FEMA")**

The "Foreign Exchange Management Act, 1999" (commonly known as "FEMA") was enacted by the Government of India to replace the earlier "Foreign Exchange Regulation Act, 1973" ("FERA"). FEMA was introduced with the primary objective of consolidating and amending the laws related to foreign exchange. Its overarching aim was to facilitate external trade and payments while promoting the organized development and maintenance of the foreign exchange market in India. FEMA brought about significant changes by removing many restrictions on the trade of goods and services to and from India. However, it retained a provision enabling the Central Government to impose reasonable restrictions in the public interest when necessary.

#### **Foreign Direct Investment**

Regarding "Foreign Direct Investment" (FDI), the Indian government has periodically communicated its policies through press notes and releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (referred to as "DIPP"), issued the consolidated "FDI Policy Circular of 2020" ("FDI Policy 2020"), which came into effect on October 15, 2020. This comprehensive policy consolidated and superseded all previous press notes, press releases, and clarifications on FDI policy issued by the DIPP. The government intends to update this consolidated circular on FDI policy annually, with FDI Policy 2020 remaining valid until the issuance of an updated circular.

The "Reserve Bank of India" (RBI) also plays a crucial role in governing FDI in India through its "Master Directions on Foreign Investment in India," which are periodically updated. These directions specify that an Indian company may issue new shares to individuals residing outside India, subject to certain eligibility criteria and pricing guidelines outlined in the Master Directions. Companies conducting such share issuances are obligated to meet reporting requirements, including disclosing considerations for the issuance of shares, and filing relevant forms such as Form FC-GPR.

### **OTHER REGULATIONS**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

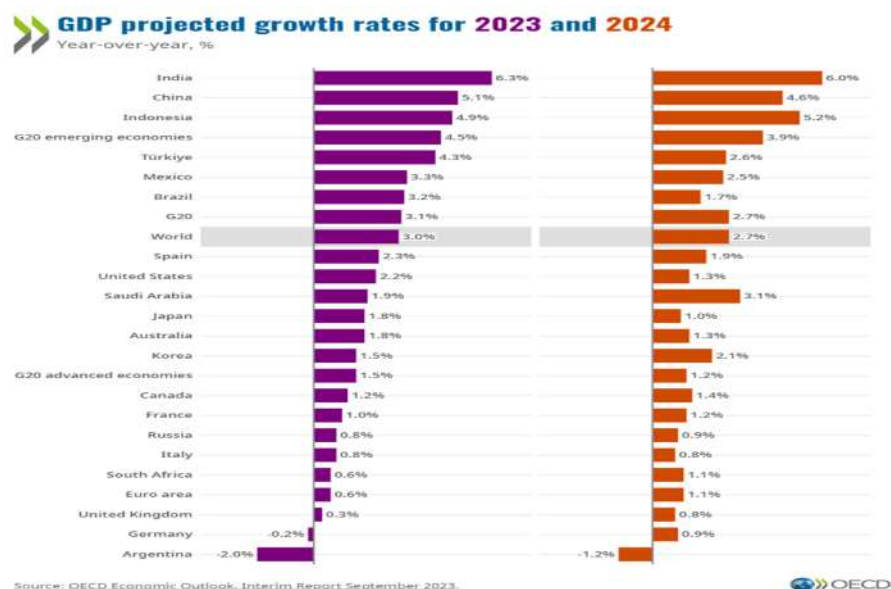
Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Statement" beginning on pages 19 and 94, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 19 of this Draft Letter of Offer.

## GLOBAL ECONOMY

The global economy proved more resilient than expected in the first half of 2023, but the growth outlook remains weak. With monetary policy becoming increasingly visible and a weaker-than-expected recovery in China, global growth in 2024 is projected to be lower than in 2023. While headline inflation has been declining, core inflation remains persistent, driven by the services sector and still relatively tight labour markets. Risks continue to be tilted to the downside. Inflation could continue to prove more persistent than anticipated, with further disruptions to energy and food markets still possible. A sharper slowdown in China would drag on growth around the world even further. Public debt remains elevated in many countries.

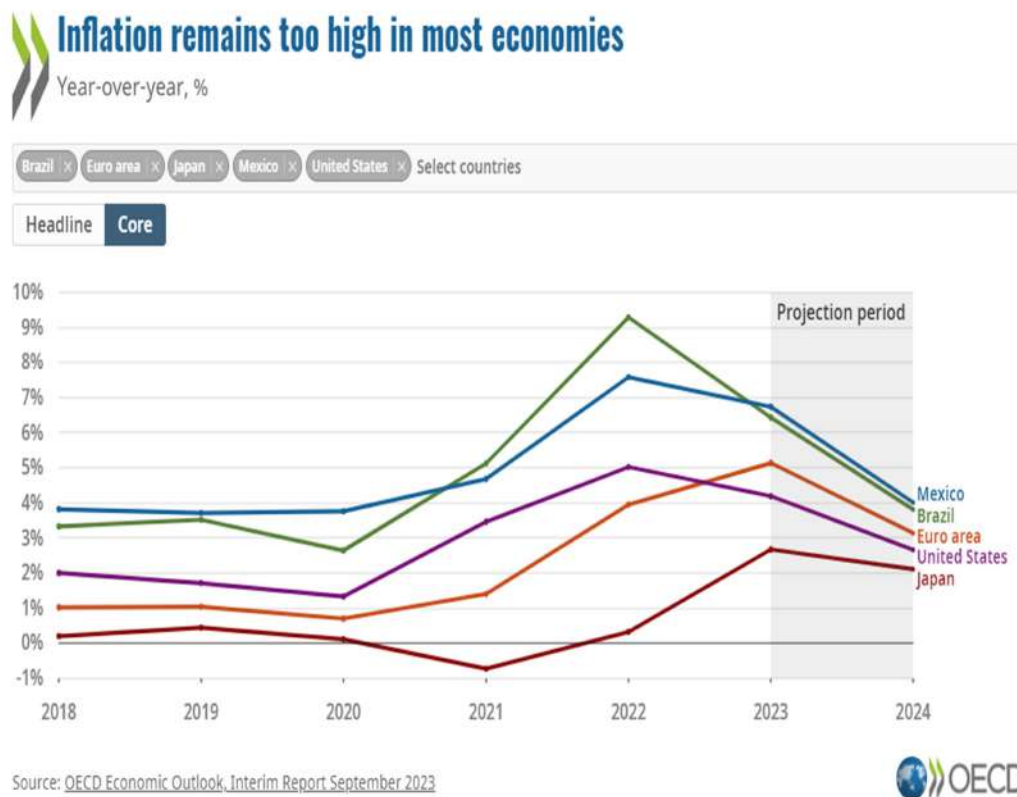
## GDP GROWTH

The world economy is expected to grow by 3.0% in 2023, before slowing down to 2.7% in 2024. A disproportionate share of global growth in 2023-24 is expected to continue to come from Asia, despite the weaker-than-expected recovery in China.



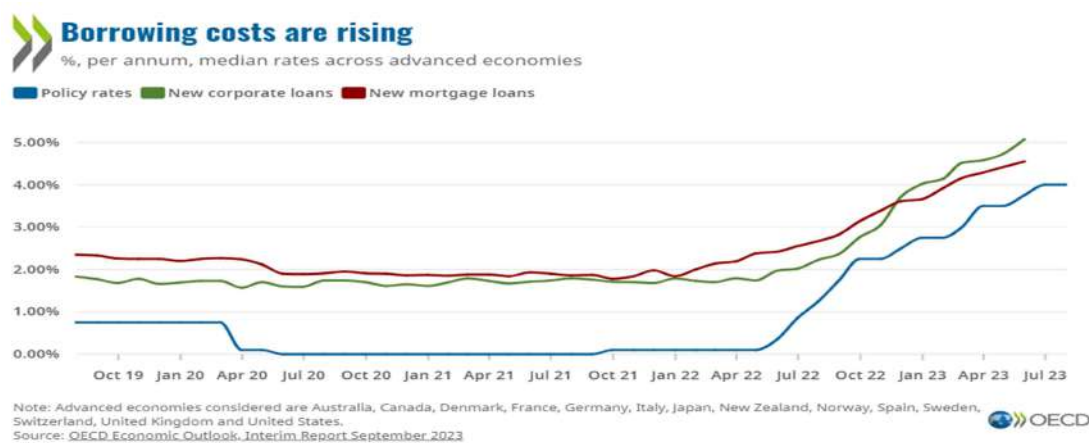
## INFLATION

Inflation has continued to come down in many countries, driven by the decline of food and energy prices in the first half of 2023. However, core inflation – inflation excluding the most volatile components, energy and food – hasn't significantly slowed. It remains well above central banks' targets. A key risk is that inflation could continue to prove more persistent than expected, which would mean interest rates need to tighten further or remain higher for longer.



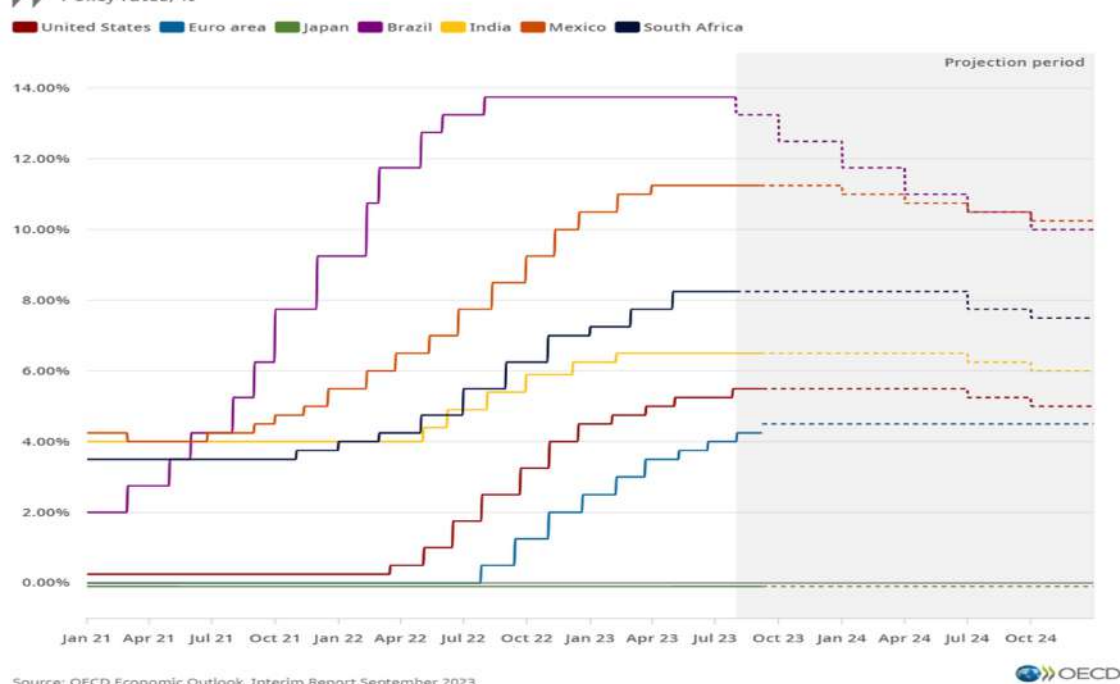
## MONETARY POLICY

The tightening of monetary policy is working its way through economies. Alongside the rapid increase of policy rates, interest rates for new corporate loans and new mortgage loans have increased. While the rising borrowing costs are painful for households and firms, dampening households' and firms' demand through higher borrowing costs is a standard channel through which monetary policy normally takes effect.





## The monetary policy tightening cycle is close to its peak



### INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices (2011-12) in the first quarter of 2023–24 is estimated at Rs.40.37 trillion (US\$ 484.94 billion), showing a growth of 7.8% as compared to the first quarter of 2022–23 estimated at Rs.37.44 trillion (US\$ 449.74 billion). Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In 2023–24 (April–September), India's service exports stood at US\$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023–24 (April–September) were estimated at US\$ 376.29 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April–December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

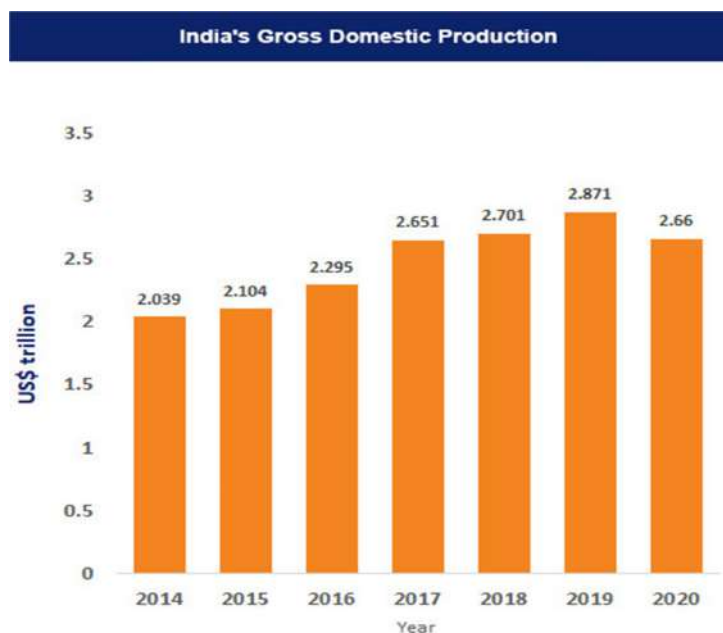
India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

## MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs.301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs.70.67 trillion (US\$ 848.92 billion), as against Rs.65.42 trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022-2023.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



## FINANCIAL SERVICES INDUSTRY

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee

Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

## **INVESTMENTS/DEVELOPMENTS**

The Financial Services Industry has seen major achievements in the recent past:

- In November 2023, Unified Payments Interface (UPI) recorded 11.23 billion transactions worth Rs. 17.39 Lakh crore (US\$ 208.51 billion).
- The number of transactions through immediate payment service (IMPS) reached 472million (by volume) and amounted to Rs. 5.35 trillion (US\$ 64.14 billion) in November 2023.
- India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than in 2020.
- In 2021, Prosus acquired Indian payments giant BillDesk for US\$ 4.7 billion.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called 'Account Aggregator' to enable consumers to consolidate all their financial data in one place.
- In September 2021, Piramal Group concluded a payment of US\$ 4.7 billion (Rs. 34,250 crore) to acquire Dewan Housing Finance Corporation (DHFL).

## **GOVERNMENT INITIATIVES**

Some of the major Government Initiatives are:

- In 2023, the government revamped the credit guarantee scheme. The inflow of INR 9,000 crores into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.
- In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), has teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in north and southeast Asia.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial companies – micro-finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend an approach towards the development of a sustainable finance hub and provide a road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or Internet banking access.

## **ROAD AHEAD**

India's financial services industry has experienced huge growth in the past few years. This momentum is expected to continue. India's private wealth management Industry shows huge potential. India is expected to have 16.57 lakh HNWI's in 2027. This will indeed lead India to be the fourth-largest private wealth market globally by 2028. India's insurance market is also expected to reach US\$ 250 billion by 2025. This will further offer India an opportunity of US\$ 78 billion in additional life insurance premiums from 2020-30.

India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.

Source: <https://www.ibef.org/industry/financial-services-india>

## **NBFC OVERVIEW**

After weathering countless challenges over the past three fiscals, exacerbated by the Covid-19 pandemic, fiscal 2023 has brought growth back into focus for NBFCs. This is expected to continue into fiscal 2024, with assets under management (AUM) of NBFCs projected to increase 13-14% vis-a-vis single-digit growth over the past three fiscals (2020-22). The acceleration will ride on improving economic activity, strengthened balance sheet buffers, and better asset quality metrics.

Indeed, NBFCs are critical to overall credit delivery in India, as indicated by exponential increase in AUM from Rs 3.6 lakh crore in fiscal 2008 to Rs 27 lakh crore at present. For a better understanding of their criticality in the credit space, NBFCs accounted for almost 16% share of overall credit in fiscal 2022.

Over the past three fiscals, NBFCs largely focussed on liquidity, capital and provisioning buffer. These, combined with the consistent improvement in economic activity, have put the sector in a better position today to capitalise on growth opportunities.

That said, two key monitorables remain. First, intensifying competition from banks, especially in the traditional retail segments of home loans and vehicle finance. Second, rising interest rates have increased the cost of borrowing for NBFCs, which is limiting their competitiveness in some asset classes.

To be sure, NBFCs are realigning their portfolio strategies to combat these challenges. Their focus is shifting towards non-traditional asset classes—unsecured loans; micro, small and medium enterprise (MSME) finance; and used vehicle finance—which are expected to post higher growth. Consequently, these segments are garnering higher share in incremental disbursements. While the traditional segments will also grow, the rate is unlikely to surpass the pre-pandemic levels.

As large NBFCs tap new segments, co-lending and partnerships with the emerging and mid-sized NBFCs will gain traction.

With this shift and NBFCs being able to pass on the increase in cost of borrowing to consumers, at least in incremental disbursements, gross spreads are likely to compress 40-60 basis points (bps) this fiscal.

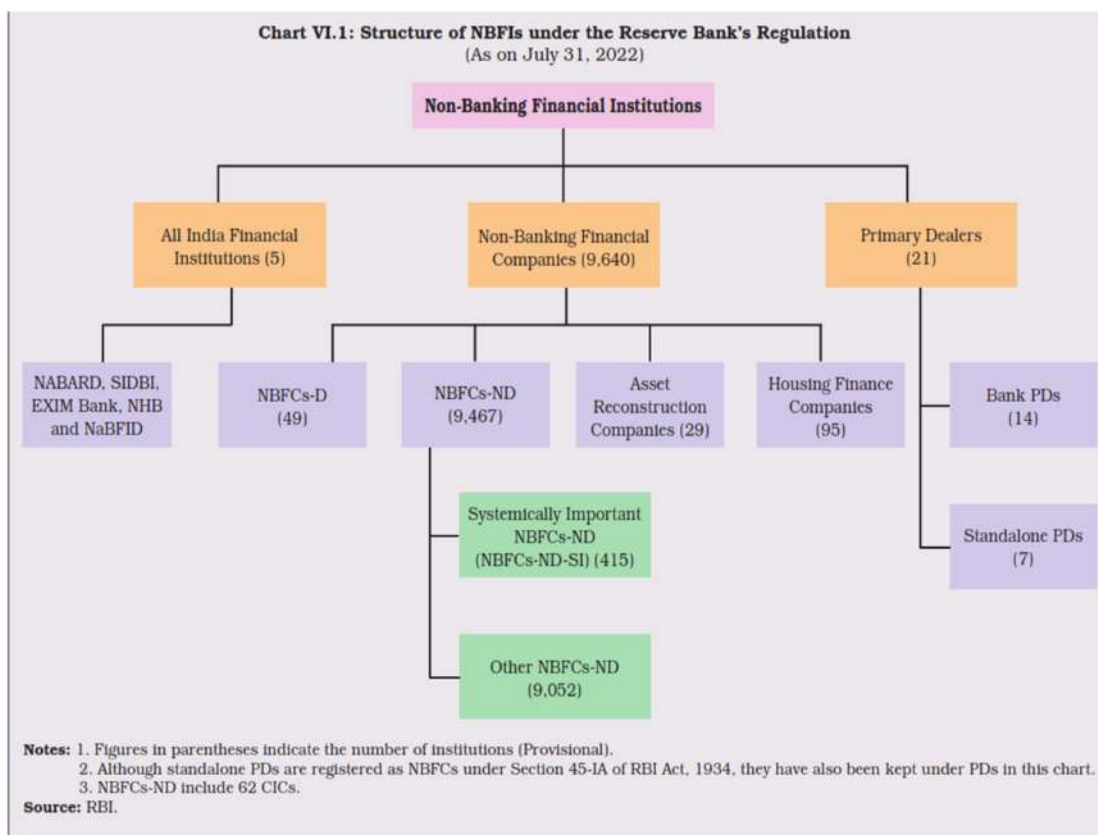
However, improvement in asset quality will provide some cushion. NBFCs have created substantial management overlays in the past few fiscals, which will provide support going forward. In fact, NBFCs are expected to dip into previously created management overlays, which along with improving asset quality metrics should lower credit costs.

Net-net, the overall earnings profile for NBFCs is expected to remain stable.

NBFCs had steadily increased their market share till recent years, with AUM accounting for as much as 18% of the overall credit pie in March 2019, up from 12% in March 2008. Several challenges over the past three fiscals lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. However, NBFC growth is expected to pick up from here on, which should help sustain their 16% AUM share.

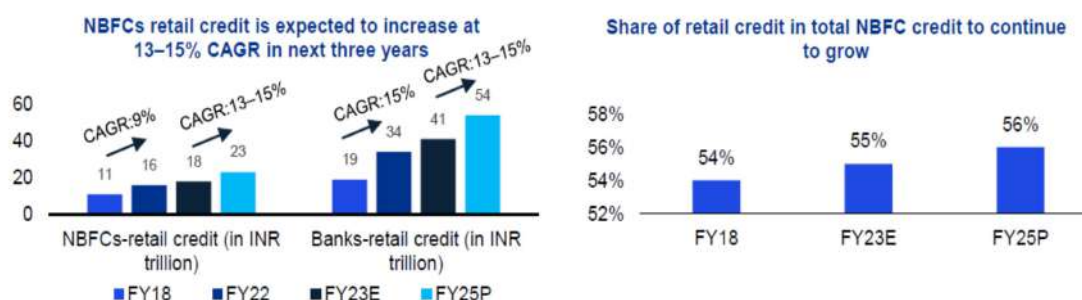
Increase in NBFCs' AUM from just Rs 3.6 lakh crore in March 2008 to almost Rs 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

## NBFC STRUCTURE

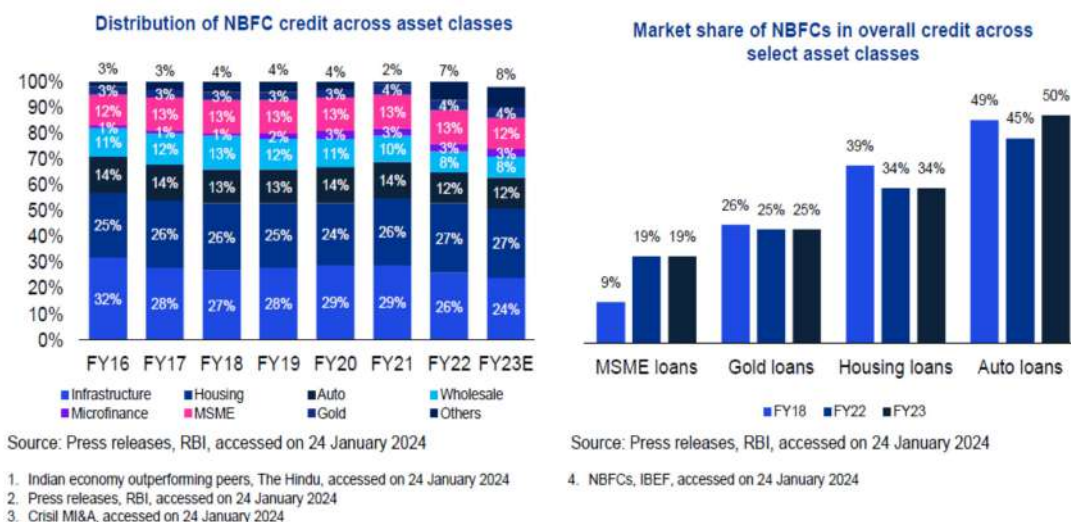


## KEY SEGMENTS

In terms of asset size-wise mix, housing loans and infrastructure loans continue to account for a major chunk of the overall NBFC portfolio. Microfinance loans have increased their share from approximately 2 per cent to 3 per cent between FY19 and FY23. Housing and infrastructure loans are expected to maintain their share in overall NBFC credit. In addition, auto loans, personal loans, MSME loans and microfinance loans are expected to perform better as compared to other segments in FY24.



Note: P= Projected; Retail credit includes housing finance, auto finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans  
Source: Press releases, RBI, accessed on 24 January 2024



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## EVOLUTION IN NBFC CATEGORISATION

As of 30 September 2023, there were a total of 9,356 NBFCs registered with the Reserve Bank of India (RBI). Based on liability structure, NBFCs have been traditionally categorised into deposit-taking NBFCs (NBFCs-D), which are allowed to raise term deposits and non-deposit-taking NBFCs (NBFCs-ND). In October 2021, the RBI introduced a scale-based regulation for NBFCs to align its regulatory framework and further classify these financial institutions based on their evolving risk profile, considering the evolution of NBFCs with regard to size, complexity and interconnection within the financial sector. This framework categorises:

- NBFCs in the base layer (NBFC-BL) with assets less than INR1,000 crore
- Middle layer (NBFC-ML) with assets more than INR1,000 crore
- Upper layer (NBFC-UL) and top layer (NBFC-TL) which are specifically identified by the RBI based on a set of parameters and scoring methodology

A list of 16 NBFCs-UL, identified as per the methodology specified in scale-based regulation for NBFCs, was released on 30 September 2022.

## KEY REASONS FOR GROWTH

### • Deep demographic and addressable market understanding:

With their operations in the unorganised and underdeveloped segments of the economy, NBFCs have created a niche for themselves by understanding what customers want from them and guaranteeing last-mile delivery of goods and services.

### • Tailored product offerings:

NBFCs have adapted their product offering to meet the specific characteristics of a customer group and are focused on meeting appropriate needs by carefully analysing this target segment and customising pricing models.

### • Government and central bank Initiatives:

The Government of India also unveiled several initiatives aimed at addressing some of the structural issues stressing the small business lending segment. These include granting licenses to account aggregators, initiating the Pradhan Mantri Mudra Yojana (PMMY), launching UPI platforms, unveiling platforms such as TReDS, GeM and Open Network for Digital Commerce (ONDC) and implementing GST.



- **Wider and effective reach:**

NBFCs are now reaching out to Tier 2, Tier 3 and Tier 4 markets, distributing the loan across several customer touchpoints. In addition, they are building a connected channel experience that provides an omnichannel, seamless experience of sales and service 24 hours a day, seven days a week.

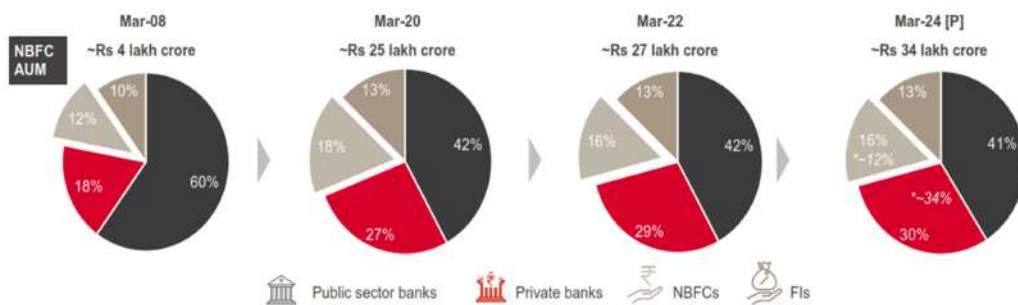
- **Co-lending:**

RBI, in November 2020, issued co-lending norms that enable banks and NBFCs to collaborate for priority sector lending (PSL).

- **Technology advancements and growing fintech ecosystem for improved efficiency and enhanced experience:**

The use of technology is helping NBFCs customise credit assessment.

**Share of NBFCs in overall credit**



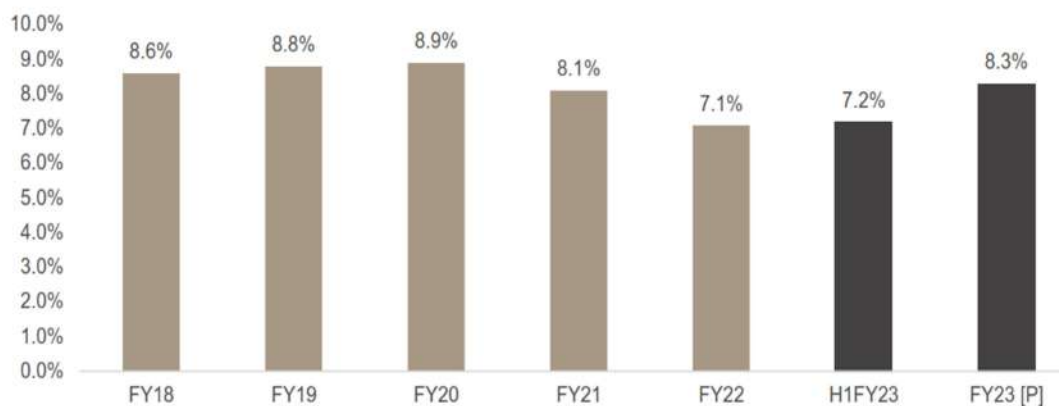
Note: Total AUM in the financial sector; bank credit is of scheduled commercial banks and excludes exposure to financial sector. NBFCs include HFCs, but exclude government-owned NBFCs. Private banks include foreign banks and SFBs. FIs include all-India financial institutions + government-owned NBFCs  
Source: RBI, company reports, CRISIL Ratings estimates

Note: Numbers with \* represent share of the segment factoring in the proposed merger of a large HFC with a private bank

## COST OF BORROWINGS OF NBFCs

The rising interest rate scenario is expected to increase the cost of borrowings of NBFCs by 100-120 bps this fiscal. However, as NBFCs have the ability to pass on the higher borrowing cost for incremental disbursements in some of their asset segments, spreads are estimated to compress 40-60 bps.

**Cost of borrowings to rise for NBFCs this fiscal**



Source: Company data, CRISIL Ratings estimates

## **BENEFITS OF NBFCs**

According to research and studies, it is proved that NBFCs are outperforming banks. The continued better performance from NBFCs has given rise to an uptick of 15% customer satisfaction as compared to the banking customers. The same is agreed by the RBI according to the recent Financial Stability Report. Banks and Non-Banking Financial

Companies (NBFCs) are financial intermediaries and the services offered by them are pretty much the same as banks.

However, the benefits of incorporating an NBFC and carrying on its activities are listed below:

### **Competitive Interest Rates:**

Rate of interest is one of the main aspects of all types of loans. Non-Banking Financial Sectors have started to concentrate on this area in the recent decades and have brought down the interest rates to either equal to bank lending rates or at times even lower to bank rates. With all the other benefits when the rate of interest is also lowered, borrowers found this easier and more affordable. This has also resulted in lower EMI (Equated Monthly Instalment) for borrowers. Based on the income, credit scoring, and repayment, the rate of interest is charged on the borrowers. However, it is at competitive rates.

### **Quick Processing:**

At banks, it is very important that the applicant should fulfill the eligibility criteria but NBFC is lenient in this aspect. This makes loan approval easier, a smoother process, and quicker. Most of the time, people apply for loans when they are in immediate need of money. NBFCs have taken this as an opportunity to meet the demand by quickly processing the loans at a competitive rate of interest. At times, borrowers are even ready to compromise on the interest rates if the loan amount is huge and if they could get it approved quickly.

### **Fewer Rules and Regulations:**

As NBFC is incorporated under the Companies Act, (though regulated by the Reserve Bank of India), the rules and regulations for lending are not as stringent as banks. This helps borrowers to get loans easily. In view of less complicated loan processing requirements, borrowers are highly satisfied. Of course, the risk of default is high with NBFC and thus interest rates and other charges will be accordingly priced by the NBFC. Even the loan amount approved will be quite lesser than the collateral value. This is due to the high risk of default. NBFCs do not have statutory reserve ratios and can open branches at will.

### **Loan available for Individuals with Poor Credit Rating:**

Individuals with poor credit ratings generally will not get loans from banks. The reason for this is banks consider borrowers are high-risk individuals if the credit scoring is low. Unless the credit score is above 600 - 650, it is very difficult to get a loan sanctioned from banks. On the other hand, loans will be offered to individuals with low credit scores by NBFCs but most of the time the interest rates for such borrowers will be higher than market rates. Due to these aforementioned advantages, most of the NBFCs are growing.

## **ROAD AHEAD**

Based on the various initiative taken by the government as it will not only help in providing the liquidity and easing the impact of coronavirus on the NBFC sector but also provide loans to the needy even in the current situation and help in building the economy.



## OUR BUSINESS

*Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page 19 of the Draft Letter of Offer.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Statement' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 19, 94 and 96 respectively, of the Draft Letter of Offer.*

*Unless the context otherwise requires, in relation to business operations, in this section of the Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Abha Property Project Limited and Group Entities as the case may be.*

### **Business Overview**

Our Company was incorporated as "Abha Property Project Limited" as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Company has got Certificate of Commencement of Business dated June 06, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana.

In the year 1985, the Company came out with an IPO and got listing at Delhi Stock Exchange. Delhi Stock Exchange is ceases to be act a functional stock exchange as the same has been de-recognised by SEBI vide its order dated 23rd January, 2017.

In the year 1989, the Company has been taken over by new management by virtue of change in directorship and controlling interest in the Shareholding in the phased manner from the year 1991 to 1997 and the present promoter Jagdish Prasad Agarwalla along with PAC's completed the acquisition of shares from erstwhile promoters of the Company pursuant to an open offer made under Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 which commenced on June 6, 2006 and expired on June 15, 2006.

Our Company got Non-Banking Financial Company (NBFC– Non Deposit Taking) registration certificate from RBI, New Delhi Regional Office, to carry on the NBFI (Non-Banking Financial Institution) activities under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.00806 dated 13.09.2000.

In the year 2002, M/s. Sambhawnath Marketing (P) Ltd. was amalgamated with our company pursuant to an order of Calcutta High Court.

Our Company got listing at Calcutta Stock Exchange (CSE) dated 11.06.2002 and got trading permission from CSE vide letter No CSEA/LD/TN/1072/2003 dated 20.08.2003,

The trading of the equity shares of the Company at CSE was suspended with effect from March 21, 2014 due to some non-compliance of the Listing Agreement via notice dated March 12, 2014 of CSE. Subsequently, the suspension of trading got revoked and are admitted for dealing effective from July 04, 2019 vide CSE letter ref no. CSE/LD/14703/2019 dated July 03, 2019.

Our registered office sifted from NCT of Delhi to the state of West Bengal in the year 2001 pursuant to the Company Law Board (CLB), Northern Region Bench, New Delhi, order dated 16.10.2001. Subsequently, the Company got fresh NBFC Registration Certificate bearing registration no. B-05.06627 from RBI, Kolkata office dated 07.07.2006 in lieu of the earlier Certificate.

### **BUSINESS MODEL**

Our Company's business model is centered around investment activities such as equity investment in group companies, new venture/project and the companies having strong potential to grow and also investment in quoted shares and securities, commodities, currency Market and investment in G Sec Bonds, liquid funds and Debt Funds.

## OUR BUSINESS OPERATION

Our Company started its commercial operations in 1985. The below table captures the financial information of the Company.

Particulars	Audited Consolidated Financial Statements for the half-year ending September 30, 2023	(Rs. In Lakhs)	
		Audited Consolidated Financial Statements for the Financial Years ending March 31,	
		2023	2022
Total Income from operations	80.04	176.59	203.34
EBITDA	70.55	170.80	196.04
Profit after Tax	67.42	141.93	188.04
Equity Share Capital	190.00	190.00	190.00
Net worth	8,299.16	8,233.30	7,765.59
Book Value per Share (Rs.)	436.80	433.34	408.72
Investment	14,246.80	14,192.04	10,149.44

## COMPETITIVE STRENGTHS

### 1. Strong professional and experienced execution/ management team allows the Company to develop a strong business

Our Company's business is supported by an experienced and professional management team with strong background in financial services. Our management team is backed by our Promoters who are having more than 5 decades of experience in varied business. We believe that the relevant experience of our management and KMPs would provide us a competitive advantage as compared to other unorganized players in the financial sector.

### 2. Focus on a disciplined business philosophy with internal controls and risk management

Our Company is focused on providing long term investment. Our Company does not invest industry specific but gives weightage to the company's potential to grow and quality management. Our Company believes that it has necessary internal controls and risk management systems to assess and monitor risks.

## OUR STRATEGIES

Our key strategic priorities are as follows:

### 1. Leverage on our experience and relationships

We have steadily grown our business in recent years. We intend to continue to leverage our experience and relationships with our customers to expand and diversify.

### 2. Focus on customer services by efficient use of technology

We believe that customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

### 3. Attract and retain experienced professionals

Our Company believes in recruiting qualified professionals with experience in financial services sector, investment evaluation, research, risk management, technology, and marketing.

## OUR SUBSIDIARIES

We have two subsidiaries –

1. **Abha Ferro Alloys Ltd.** (“AFAL”), was incorporated as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated March 09, 2017, issued by Registrar of Companies, West Bengal. The registered office of AFAL is situated at 3 Mayfair Road Flat - 2B, 2nd floor, Kolkata- 700019, West Bengal. It is became our wholly owned subsidiary on 09th March, 2017. The company was incorporated to deal into ferro alloys business but the company has yet to be started its business. The share capital of the Company is Rs.36,05,00,000.
2. **Abha Refractories Ltd.** (“ARL”), was incorporated as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated March 08, 2017, issued by Registrar of Companies, West Bengal. The registered office of ARL is situated at Flat-12b, 13/2 Ballygunge Park Road, Kolkata-700019, West Bengal. It is became our wholly owned subsidiary on 8<sup>th</sup> March, 2017. The company was incorporated to deal into refractories business but the company has yet to be started its business. The share capital of the Company is Rs.28,60,00,000.

## INSURANCE

We do not have any insurance policy as on the date of this Draft Letter of Offer.

## PLANT AND MACHINERY

Since we are a service sector company, we do not own any major plant and machinery.

## COLLABORATIONS

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing this Draft Letter of Offer.

## UTILITIES & INFRASTRUCTURE FACILITIES

We require computers and laptops for our data preparation work. Our registered office is equipped with latest computer systems, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

## HUMAN RESOURCES

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As of September 30, 2023, we have 5 full time employees. The following table sets forth a bifurcation of the number of our employees as of September 30, 2023:

Sr. No.	Description	No. of Employees
1.	Top Management	2
2.	Corporate support staff (Accounts, Secretarial, office staff)	2
3.	Others	1
	<b>Total::</b>	<b>5</b>

## COMPETITION

We operate in a highly competitive industry. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us, qualified professionals with experience in financial services sector, investment evaluation, research, risk management, technology, and marketing strategies. Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants etc.

## **CORPORATE SOCIAL RESPONSIBILITY**

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are not required to constitute a Corporate Social Responsibility Committee as our Company does not fall within purview of Section 135(1) of the Companies Act, 2013. We are also not required to formulate a policy on corporate social responsibility.

## **INTELLECTUAL PROPERTY**

We do not own any trademarks and none of them are registered as on the date of this Draft Letter of Offer.

## **OUR PROPERTY**

<b>Sr. No.</b>	<b>Details of the Deed/Agreement</b>	<b>Particulars of the property, description and area</b>	<b>Consideration/ License Fee/Rent</b>	<b>Tenure/ Term</b>	<b>Usage</b>
1.	NOC of Maithan Ceramic Ltd. dated April 01, 2023	29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata- 700013	Nil	Valid until cancellation	Registered Office

## OUR MANAGEMENT

### Board of Directors

Currently, our Company has 6 (Six) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Non-Executive and Non Independent Directors and 2 (Two) Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer.

Name, Father's Name, Designation, Address, Occupation, Age, Nationality, Date of Birth, Permanent Account Number and Director Identification Number	Date of Appointment/ Reappointment	Other Directorships
<b>Mr. Amit Agarwalla</b>  <b>Father's Name:</b> Basant Kumar Agarwalla  <b>Designation:</b> Executive Director  <b>Address:</b> Flat 2B, Heritage Mayfair, 3 Mayfair Road, Ballygunge, Kolkata – 700 019  <b>Occupation:</b> Business  <b>Age:</b> 52 years  <b>Nationality:</b> Indian  <b>Date of Birth:</b> August 27, 1971  <b>PAN:</b> ACMPA9303Q  <b>DIN:</b> 00338081	Appointed as Director w.e.f August 14, 2017  Re-designated as Managing Director w.e.f. June 01, 2019 upto May 30, 2024	1. Kharkia Enclave Private Limited 2. Anjaney Ferro Alloys Ltd. 3. Ornate Tie Up Pvt. Ltd.
<b>Mr. Aditya Agarwalla</b>  <b>Father's Name:</b> Jagdish Prasad Agarwalla  <b>Designation:</b> Executive Director  <b>Address:</b> Flat 12B, Hiland Sapphire, 13/2 Ballygunge Park Road, Ballygunge, Kolkata – 700 019  <b>Occupation:</b> Business  <b>Age:</b> 49 years  <b>Nationality:</b> Indian	Appointed as Director w.e.f August 14, 2017	1. Indian Refractory Makers Association 2. Maithan Ceramic Ltd. 3. Maithan Advanced Materials Limited 4. Sunidhi Tradelink Pvt. Ltd. 5. R.H. Builders Pvt. Ltd.

<b>Date of Birth:</b> December 28, 1974  <b>PAN:</b> ACMPA9304K  <b>DIN:</b> 00140683		
<b>Mr. Vishal Agarwalla</b>  <b>Father's Name:</b> Jagdish Prasad Agarwalla  <b>Designation:</b> Non-Executive & Non-Independent Director  <b>Address:</b> Hiland Sapphire, Flat 12B, 13/2 Ballygunge Park Road, Ballygunge, Kolkata – 700 019  <b>Occupation:</b> Business  <b>Age:</b> 52 years  <b>Nationality:</b> Indian  <b>Date of Birth:</b> September 16, 1971  <b>PAN:</b> ACMPA9306M  <b>DIN:</b> 00129040	Appointed as Director w.e.f July 14, 2003	1. Vanyaveda Greens Private Limited 2. Aveda Seritech Private Limited 3. Maithan Ceramic Ltd. 4. Vanyaveda Alloys Private Limited 5. Maithan Advanced Materials Limited 6. Sunidhi Tradelink Pvt. Ltd.
<b>Mr. Sumit Agarwalla</b>  <b>Father's Name:</b> Basant Kumar Agarwalla  <b>Designation:</b> Non-Executive & Non-Independent Director  <b>Address:</b> Flat 2B, Heritage Mayfair, Ballygunge, Kolkata – 700 019  <b>Occupation:</b> Business  <b>Age:</b> 51 years  <b>Nationality:</b> Indian  <b>Date of Birth:</b> December 06, 1972  <b>PAN:</b> ACMPA9292J  <b>DIN:</b> 00336064	Appointed as Director w.e.f July 14, 2003	1. Maithan Industries Ltd. 2. Anjaney Ferro Alloys Ltd. 3. Ornate Tie Up Pvt. Ltd. 4. Kharkia Enclave Private Limited
<b>Ms. Mandeep Kaur Jaiswal</b>  <b>Father's Name:</b> Tarlok Singh  <b>Designation:</b> Non-Executive Independent Women Director  <b>Address:</b> 3/7, Tarkasiddhanta Lane,	Appointed as Additional Director w.e.f May 29, 2023  Re-designated as Independent Director w.e.f May 29, 2023 by virtue of the members' approval at the Annual General Meeting held on August 25, 2023	1. Multicon Realty Limited 2. Maithan Ceramic Ltd. 3. Kaizen Agro Infrabuild Limited

Bally, Howrah – 711 201  <b>Occupation:</b> Service  <b>Age:</b> 33 years  <b>Nationality:</b> Indian  <b>Date of Birth:</b> May 26, 1990  <b>PAN:</b> BWHPK8912P  <b>DIN:</b> 10077160		
<b>Ms. Ayushi Khaitan</b>  <b>Father's Name:</b> Pawan Verma  <b>Designation:</b> Non-Executive Independent Women Director  <b>Address:</b> 109, Dwarik Jungle Road, Uttrarpara, Kotrung M, Hoogly, Bhadrakali, West Bengal – 712232  <b>Occupation:</b> Service  <b>Age:</b> 30 years  <b>Nationality:</b> Indian  <b>Date of Birth:</b> September 06, 1993  <b>PAN:</b> GHGPK4103M  <b>DIN:</b> 10171829	Appointed as Additional Director w.e.f. May 29, 2023  Re-designated Independent Director w.e.f May 29, 2023 by virtue of the members' approval at the Annual General Meeting held on August 25, 2023	1. Maithan Ceramic Ltd. 2. Visco Trade Associates Ltd.

#### Relationship between Directors

Except as stated below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

Sr. No.	Name of the Director	Name of the Director	Relationship
1.	Mr. Amit Agarwalla	Mr. Sumit Agarwalla	Brothers
2.	Mr. Aditya Agarwalla	Mr. Vishal Agarwalla	Brothers

#### Brief Profile of Directors

##### 1. Mr. Amit Agarwalla:

Mr. Amit Agarwalla, aged about 52 years, is the Managing Director of our Company. He has completed Commerce Graduation. He is responsible for the company's vision and strategy and operations. He is associated with our Company since 14th August, 2017. He holds position of key managerial personnel in Anjanee Ferro Alloys Ltd. & also holds senior leadership positions/ directorship in some of the family owned companies having more than 25 years of working experience in various facets of Steel, ferro-alloys industries in the field of administration, production and management.

##### 2. Mr. Aditya Agarwalla:

Mr. Aditya Agarwalla, aged about 49 years, is the Executive Director of our Company. He has done MBA (Finance) & Bachelor of Engineering (B.E.). He is the director in Maithan Ceramic Ltd. since 2003 and

working for more than 21 years of experience in various facets of Steel, ceramic, refractories and other industries including in the field of Finance, administration and production.

**3. Mr. Vishal Agarwalla:**

Mr. Vishal Agarwalla, aged about 52 years, is the Non-Executive and Non-Independent Director of our Company. He has done B Tech. He is working as Managing Director at Maithan Ceramic Ltd. and working more than 30 years of experience in various facets of Steel, Refractories and other industries including in the field of Finance, administration and production.

**4. Mr. Sumit Agarwalla:**

Mr. Sumit Agarwalla, aged about 51 years, is the Non-Executive and Non-Independent Director of our Company. He has completed Commerce Graduation. He is the Whole-time Director in Anjaneey Ferro Alloys Ltd. and having directorship in other Indian companies, working more than two decades of experience in various facets of steel, ferro-alloys, ceramic industries including in the field of administration, production and management.

**5. Ms. Mandeep Kaur Jaiswal:**

Ms. Mandeep Kaur Jaiswal, aged about 33 years, is the Non-Executive and Independent Director of our Company. She is a qualified Company Secretary and a member of the Institute of Company Secretaries of India ("ICSI"), New Delhi, having membership no. A51064. She is currently working as a Company Secretary in Adhunik Corporation Limited from July 2019 and having overall 7 years post qualification work experiences in corporate governance, statutory and legal provisions.

**6. Ms. Ayushi Khaitan:**

Ms. Ayushi Khaitan, aged about 30 years, is the Non-Executive and Independent Director of our Company. She is professionally qualified Company Secretary, from the Institute of Company Secretaries of India ("ICSI"), New Delhi, having membership no. A52589. She has an experience for more than 7 years in the field of corporate laws, SEBI etc. & was a full time company secretary in Niks Technology Limited from 31<sup>st</sup> January, 2023.

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

**Other Confirmations:**

1. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
2. None of our Directors is or was, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

**CORPORATE GOVERNANCE**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Company has 6 (Six) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Non-Executive and Non-Independent Directors and 2 (Two) Independent Directors.

The following committees have been formed in compliance with the corporate governance norms:

A) Audit Committee



- B) Stakeholders Relationship Committee  
C) Nomination and Remuneration Committee

## AUDIT COMMITTEE

Our Company has originally constituted the audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI LODR Regulations vide resolution passed at the meeting of the Board of Directors held on September 25, 2014.

Our Company has reconstituted the audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI LODR Regulations vide resolution passed at the meeting of the Board of Directors held on May 29, 2023.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and regulation 18 of SEBI LODR Regulations.

The committee presently comprises following three (3) directors:

Sr.	Name of the Director	Status	Nature of Directorship
1.	Ms. Mandeep Kaur Jaiswal	Chairman	Non-Executive Independent Director
2.	Ms. Ayushi Khaitan	Member	Non-Executive Independent Director
3.	Mr. Aditya Agarwalla	Member	Executive Director & CFO

### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage

- and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- such other terms of reference/role as may be amended from time to time.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 are covered in the terms of reference of the Audit Committee.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Our Company has originally constituted the Stakeholders Relationship Committee ("Stakeholders relationship committee") to redress the complaints of the shareholders in terms of section 178(5) of Companies Act, 2013 and regulation 20 of SEBI LODR Regulations. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on June 29, 2021.

Our Company has reconstituted a Stakeholders Relationship Committee ("Stakeholders relationship committee") to redress the complaints of the shareholders in terms of section 178(5) of Companies Act, 2013 and regulation 20 of SEBI LODR Regulations. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on May 29, 2023.

The committee currently comprises of following three (3) Directors:

<b>Sr.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1.	Mr. Vishal Agarwalla	Chairman	Non-Executive Director
2.	Mr. Amit Agarwalla	Member	Executive Director
3.	Ms. Mandeep Kaur Jaiswal	Member	Non-Executive Independent Director

#### **Role of stakeholder Relationship committee**

The Stakeholder Relationship Committee of our Board look into:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for the effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Such other terms of reference/role as may be amended from time to time.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

## NOMINATION AND REMUNERATION COMMITTEE

Our Company has originally constituted the Nomination and Remuneration Committee ("**Nomination and Remuneration Committee**") in terms of section 178 of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on September 25, 2014.

Our Company has reconstituted the Nomination and Remuneration Committee ("**Nomination and Remuneration Committee**") in terms of section 178 of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on May 29, 2023.

The Committee currently comprises of following four (4) Directors.

Sr.	Name of the Director	Status	Nature of Directorship
1.	Ms. Mandeep Kaur Jaiswal	Chairman	Non-Executive Independent Director
2.	Ms. Ayushi Khaitan	Member	Non-Executive Independent Director
3.	Mr. Sumit Agarwalla	Member	Non-Executive Non Independent Director
3.	Mr. Vishal Agarwalla	Member	Non-Executive Director Non Independent Director

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- such other terms of reference/role as may be amended from time to time.

Our Key Management Personnel and Senior Management Personnel

Sr. No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since
1.	Mr. Amit Agarwalla	Managing Director	01/06/2019
2.	Mr. Aditya Agarwalla	Chief Financial Officer	01/06/2019
3.	Mr. Santanu Kumar Hazra	Company Secretary	22/11/2021

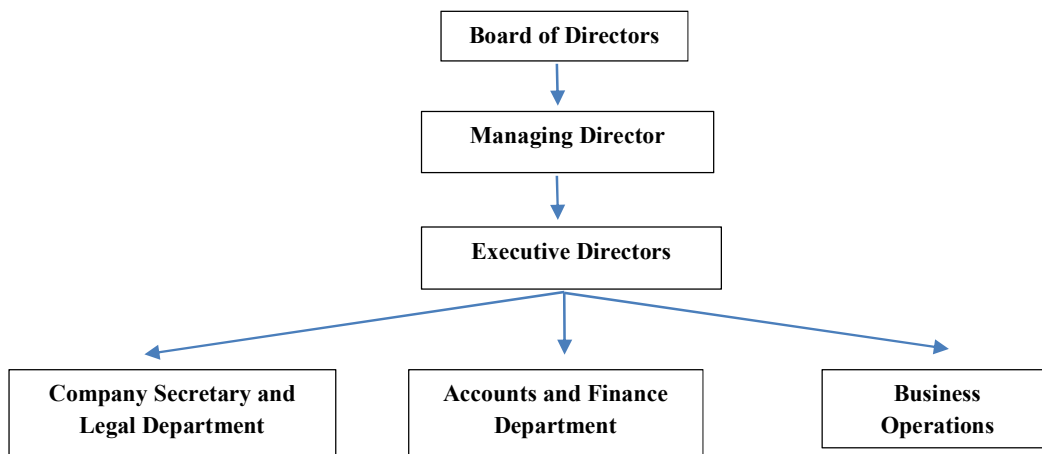
All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship of Key Managerial Personnel with our Directors, Promoter and/ or other Key Managerial Personnel**

There is no relationship between Key managerial personnel with Our Directors, Promoters and/ or Other Key Managerial personnel except Mr. Amit Agarwalla & Mr. Sumit Agarwalla and Mr. Aditya Agarwalla & Mr. Vishal Agarwalla are brothers.

### **Management Organization Structure**


Set forth is the organization structure of our Company:



## OUR PROMOTERS

Details of Our Promoters are as under:


### 1. Jagdish Prasad Agarwalla

	<p>Mr. Agarwalla, aged about 76 years, is residing at Flat No. 12B, Hiland Shappire, 13/2, Ballygunge Park Road, Kolkata – 700 019. He is qualified as Bachelor of Science (BSC). He is a founder-Chairman and Director of Maithan Ceramic Ltd. which has been engaged into the chemical &amp; refractory industry, having a long term working experiences for more than 50 years in various facets of Steel and other industries including in the field of finance, procurement, marketing, budget &amp; planning, administration and production. He is one of the Trustee of Sri Raghunath Kharkia Charitable Trust, which is running for social &amp; charitable purposes.</p>
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#### Identification

Name	JAGDISH PRASAD AGARWALLA
Permanent Account Number	ACMPA9295R
Passport No.	N3408624
Driving License	NA
Bank Account Details	Axis Bank, M. K. Market, Chirkunda, Dhanbad – 828 202, Jharkhand, India, IFSC: UTIB0001897, Savings Account No.: 913010025831087
Education Qualification	Bachelor of Science (BSC)
Address	Hiland Shappire, Flat No. 12B, 13/2, Ballygunge Park Road, Ballygunge, Kolkata – 700 019

### 2. Sita Agarwalla

	<p>Mrs. Agarwalla, aged about 72 years, is residing at 3 Mayfair Road, Flat No. 2B, Heritage Mayfair Road, Ballygunge, Kolkata – 700 019. She is qualified as Bachelor of Commerce Graduate. She is a Housewife.</p>
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#### Identification

Name	SITA AGARWALLA
Permanent Account Number	ACMPA9302R
Passport No.	NA
Driving License	NA
Bank Account Details	Axis Bank, M. K. Market, Chirkunda, Dhanbad – 828 202, Jharkhand, India, IFSC: UTIB0001897, Savings Account No.: 913010025445246
Education Qualification	Bachelor of Commerce
Address	3 Mayfair Road, Flat No. 2B, Heritage Mayfair Road, Ballygunge, Kolkata – 700 019

**Persons forming part of Promoter Group**

1. Anshuman Agarwalla
2. Dhruv Agarwalla
3. Swati Agarwalla
4. Jagdish Prasad Agarwalla HUF
5. Basant Kumar Agarwalla HUF

**Confirmations**

1. None of our Promoter has been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. There are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

## OUR GROUP ENTITIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Entities”, our Company has considered those entities as our Group Entity with which there were related party transactions as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India in the Audited Financial Statements of our Company for the six months period ended September 30, 2023 and such other entities as considered material by our Board.

Further, entities which are no longer associated with our Company have not been disclosed as Group Entities.

### DETAILS OF THE GROUP ENTITIES

#### 1. Abha Refractories Limited

Name of the Company	Abha Refractories Limited (AFL)
Type of Company	Public Limited Company
Date of Incorporation of the Company	March 08, 2017
CIN of the Company	U36999WB2017PLC219828
Registered Office of the Company	Flat: 12B, 13/2 Ballygunge Park Road, Kolkata – 700 019
Registrar of Companies	ROC Kolkata
Nature of Business	The company was incorporated to deal into refractories business but the company has yet to be started its business.

#### Board of Directors of AFL

Sr. No.	Name of the Director	DIN
1.	Abhijit Bhattacharjee	07722102
2.	Niranjan Kumar Agarwal	00504021
3.	Ajay Sharma	07752033

Shareholding pattern of AFL as on September 30, 2023 is as under:

Sr. No.	Name of the Equity Shareholder	No. of Shares	% of Holding
1.	Abha Property Project Limited	60,99,940	99.999%
2.	Jagadish Prasad Agarwalla	10	0.0002%
3.	Swati Agarwalla	10	0.0002%
4.	Madhuri Agarwalla	10	0.0002%
5.	Vishal Agarwalla	10	0.0002%
6.	Aditya Agarwalla	10	0.0002%
7.	Abhijit Bhattacharjee	10	0.0002%
	<b>Total</b>	<b>61,00,000</b>	<b>100.00%</b>

Sr. No.	Name of the Preference Shareholder	No. of Shares	% of Holding
1.	Abha Property Project Limited	2,25,00,000	100.00%
	<b>Total</b>	<b>2,25,00,000</b>	<b>100.00%</b>

#### Brief details of Audited Financials

(₹' Lakhs)

Particulars	For the six months period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022
Equity Share Capital	610.00	610.00	610.00
Reserves (excluding revaluation reserve)	2,868.37	2,904.98	2,704.57
Net worth	3,478.37	3,514.98	3,314.57

Other Income	0.14	61.32	107.17
Profit/ (Loss) after tax	(36.62)	1.73	50.53
Earnings Per Share			
a. Basic Earnings Per Share (in ₹)	(0.60)*	0.03	0.83
b. Diluted Earnings Per Share (In ₹)	(0.60)*	0.03	0.83
Net Asset Value per Equity Share (In ₹)	57.02*	57.62	54.34

\* Non-annualised

## 2. Abha Ferro Alloys Limited

Name of the Entity	Abha Ferro Alloys Limited (AFAL)
Type of Entity	Public Limited Company
Date of Incorporation of the Company	March 09, 2017
CIN of the Company	U36999WB2017PLC219860
Registered Office of the Company	3, Mayfair Road, Flat - 2B, 2nd Floor, Kolkata – 700 019
Registrar of Companies	ROC Kolkata
Nature of Business	The company was incorporated to deal into ferro alloys business but the company has yet to be started its business.

### Board of Directors of AFAL

Sr. No.	Name of the Director	DIN
1.	Suresh Kumar Sharma	07760918
2.	Sajan Kumar Kharkia	07988183
3.	Vikash Kharakia	07760911

Shareholding Pattern of AFAL as on September 30, 2023 is as under:

Sr. No.	Name of the Equity Shareholder	No. of Shares	% of Holding
1	Abha Property Project Limited	1,35,49,940	100.000%
2	Sita Agarwalla	10.00	0.0001%
3	Sangita Agarwalla	10.00	0.0001%
4	Nidhi Agarwalla	10.00	0.0001%
5	Vidisha Agarwalla	10.00	0.0001%
6	Amit Agarwalla	10.00	0.0001%
7	Sumit Agarwalla	10.00	0.0001%
	<b>Total</b>	<b>1,35,50,000</b>	<b>100.00%</b>

Sr. No.	Name of the Preference Shareholder	No. of Shares	% of Holding
1	Abha Property Project Limited	2,25,00,000	100.00%
	<b>Total</b>	<b>2,25,00,000</b>	<b>100.00%</b>

### Brief details of Audited Financials

(₹' Lakhs)

Particulars	For the six months period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022
Equity Share Capital	1,355.00	1,355.00	1,355.00
Reserves (excluding revaluation reserve)	6,522.03	6,476.98	4,538.84
Net worth	7,877.03	7,831.98	5,893.84
Other Income	82.92	113.07	94.04
Profit/ (Loss) after tax	45.04	25.56	30.59
Earnings Per Share			



a. Basic Earnings Per Share (in ₹)	0.33*	0.19	0.23
b. Diluted Earnings Per Share (In ₹)	0.33*	0.19	0.23
Net Asset Value per Equity Share (In ₹)	58.13*	57.80	43.50

\* Non-annualised

### 3. Maithan International

Name of the Entity	Maithan International
Type of Entity	Partnership Firm
Incorporation Date of the Firm	January 03, 2000
Registration Status	Unregistered
PAN	AAEFM9873F
Principal Place of Business	9, A. J. C. Bose Road, 6th Floor, Kolkata – 700 017
Nature of Activity	Wholesale of Metal & Metal Ore and Investment activities
Partners & Share of Profit	<ol style="list-style-type: none"> <li>1. Vishal Agarwalla &amp; 30%</li> <li>2. Aditya Agarwalla &amp; 36%</li> <li>3. Abha Refractories Limited &amp; 16%</li> <li>4. Dhruv Agarwalla &amp; 6%</li> <li>5. Anshuman Agarwalla &amp; 6%</li> <li>6. Raghav Agarwalla &amp; 6%</li> </ol>

The audited financial results for the last financial year, preceding the date of this Draft Letter of Offer: -

(₹' Lakhs)

Particulars	Year ended March 31, 2023
Partner's Capital	5,982.78
Reserves (excluding revaluation reserve)	NA
Net worth	NA
Sales/ Turnover including Other Income	457.70
Net Profit/ (Loss)	310.81
Earnings Per Share (In ₹)	NA
Net Asset Value per Equity Share (In ₹)	NA

## FINANCIAL STATEMENT

Sl. No.	Particulars	Page No.
1.	Audited Consolidated Financial Statements for the six months period ended September 30, 2023	F- 1 to F - 16
2.	Audited Consolidated Financial Statements for the Financial Year ending March 31, 2023	F- 17 to F - 41



a/c 2

**Rajgaria & Associates**  
**Chartered Accountants**

To,  
The Board of Directors,  
**Abha Property Project limited**

We have reviewed the accompanying Consolidated financial statements of **ABHA PROPERTY PROJECT LIMITED** ("the company"), its Subsidiaries (referred to as "the Group") as at **30<sup>th</sup> September, 2023** and the related statements of Profit & Loss and Cash Flows for the six months period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the provisions of the Companies Act, 2013 and the Rules there under in conformity with the accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### **Scope of Review**

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Emphasis of Matter**

Attention is drawn to Footnote to Note No. 3.0 whereby the Fair value through Other Comprehensive Income could not be ascertained for reasons stated therein.

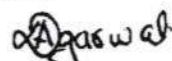
Our opinion is not modified in respect of the above matters.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the state of affairs of the company as at **30<sup>th</sup> September, 2023**, and of its results of operations and its cash flows for the six months period then ended in accordance with the provisions of Companies Act, 2013 & the accounting principles generally accepted in India

**For Rajgaria & Associates**

Chartered Accountants  
Registration No. **314241E**

  
(CA Dibya Agarwal)  
Partner  
Membership No. **304601**

**Kolkata; 12<sup>th</sup> January, 2024**  
**UDIN: 24304601BKABTW3203**

135A, B. R. B. Basu Road, 2<sup>nd</sup> Floor, Kolkata – 700 001; Phone: 2242 9107

**ABHA PROPERTY PROJECT LTD.**  
**CIN: L51909WB2001PLC093941**  
**CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)

PARTICULARS	Note No.	AS AT 30.09.2023	AS AT 31.03.2023
<b>ASSETS</b>			
<u>Financial Assets</u>			
Cash and Cash Equivalents	2	13,187.17	28,409.83
Investments	3	14,24,679.56	14,19,203.67
Other Financial Assets	4	97,875.91	81,935.09
Non Financial Assets		-	-
Current Tax Assets (Net)	5	694.50	564.92
<b>TOTAL ASSETS</b>		<b>15,36,437.14</b>	<b>15,30,113.51</b>
<b>LIABILITIES AND EQUITY</b>			
<u>LIABILITIES</u>			
<u>Financial Liabilities</u>			
Other Financial Liabilities	6	122.73	120.11
<u>Non Financial Liabilities</u>			
Deferred Tax Liabilities (Net)	7	1,87,360.73	1,87,625.04
<u>EQUITY</u>			
Equity Share Capital	8	18,999.80	18,999.80
Other Equity	9	13,29,953.88	13,23,368.56
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,36,437.14</b>	<b>15,30,113.51</b>

**Significant Accounting Policies**

1

The notes referred to above form an integral part of these Consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of

**Rajgaria & Associates**

Chartered Accountants

Registration No.314241E

*Agarwal*

**CA Dibya Agarwal**

Partner

Membership No. 304601

135A, B R B Basu Road

Kolkata - 700 001

Dated: 12 JAN 2024



For & on behalf of Board of Directors

*Amit Agarwalla*  
**(Amit Agarwalla, Managing Director)**  
DIN: 00338081

*Aditya Agarwalla*  
**(Aditya Agarwalla, Director & CFO)**  
DIN: 00140683

*Santanu Kumar Hazra*

**Santanu Kumar Hazra**  
Company Secretary



**ABHA PROPERTY PROJECT LTD.**

CIN: L51909WB2001PLC093941

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

PARTICULARS	NOTE NO.	(Amount in Rupees Thousands)	
		PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
<b>INCOME</b>			
Other Income	10	8,004.35	17,658.77
<b>TOTAL REVENUE</b>		<b>8,004.35</b>	<b>17,658.77</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	11	75.00	155.50
Other Expenses	12	874.82	423.13
<b>TOTAL EXPENSES</b>		<b>949.82</b>	<b>578.63</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>7,054.53</b>	<b>17,080.14</b>
<b>TAX EXPENSE</b>			
Current Tax	577.00		726.00
For Earlier Years	-		4.30
Deferred Tax	(264.31)	312.69	2,156.44
<b>PROFIT/(LOSS) AFTER TAX BUT BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>		<b>6,741.84</b>	<b>14,193.40</b>
Share of Profit/(Loss) of Associates		(905.69)	(203.61)
		<b>5,836.15</b>	<b>13,989.79</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
a) Item that will not be reclassified to Profit & Loss		-	-
- Income Tax relating to (a) above		-	-
b) Item that will be reclassified to Profit & Loss		-	-
- Income Tax relating to (b) above		-	-
<b>Other Comprehensive Income (a+b)</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,836.15</b>	<b>13,989.79</b>
<b>EARNINGS PER EQUITY SHARE OF FACE VALUE OF Rs.10/- EACH</b>			
Basic & Diluted Earning	13	3.07	7.36
<b>Significant Accounting Policies</b>	1		

The notes referred to above form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit &amp; Loss referred to in our report of even date

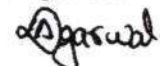
For and on behalf of

For &amp; on behalf of Board of Directors

**Rajgarla & Associates**

Chartered Accountants

Registration No.314241E

**CA Dibya Agarwal**

Partner

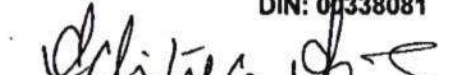
Membership No. 304601

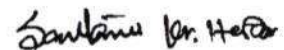
135A, B R B Basu Road

Kolkata - 700 001

Dated: 12 JAN 2024

  
 (Amit Agarwalla, Managing Director)  
 DIN: 00338081

  
 (Aditya Agarwalla, Director & CFO)  
 DIN: 00140683


**Santanu Kumar Hazra**  
 Co. Secretary

**ABHA PROPERTY PROJECT LTD.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**  
(Amount in Rupees Thousands)

<b>A. EQUITY SHARE CAPITAL</b>	
<b>PARTICULARS</b>	<b>Amount</b>
Balance as at March 31, 2022	18,999.80
Changes in Equity Share Capital during the period/year	-
Balance as at March 31, 2023	18,999.80
Changes in Equity Share Capital during the period/year	-
Balance as at September 30, 2023	18,999.80

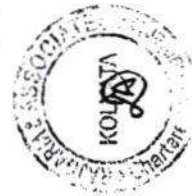
<b>B. OTHER EQUITY</b>	<b>PARTICULARS</b>	<b>Capital Reserve</b>	<b>Statutory Reserve (under 45IC of RBI Act)</b>	<b>Retained Earning</b>	<b>Equity Instrument through Other Comprehensive Income</b>	<b>Total</b>
	Balance as at March 31, 2022	80,267.89	1,34,484.78	5,42,806.81	3,40,693.32	10,98,252.80
	Changes in accounting policy or prior period errors	-	-	(9,958.29)	(86,458.24)	(96,416.53)
	Deferred Tax for Earlier Period/Years	-	-	5,32,848.52	2,54,235.08	10,01,836.27
	Restated balance at the beginning of the previous reporting period	80,267.89	1,34,484.78	42,739.46	(42,739.46)	-
	Add: Realised Gain on Sale of Investment through FVTOCI	-	1,706.05	(1,706.05)	-	-
	Transfer from Retained Earning	-	-	13,989.79	3,07,542.50	3,21,532.29
	Profit for the period/year	-	-	-	-	-
	Other Comprehensive Income	-	-	-	-	-
	Balance as at March 31, 2023	80,267.89	1,36,190.83	5,87,871.72	5,19,038.12	13,23,368.56
	Changes in accounting policy or prior period errors	-	-	-	-	-
	Restated balance at the beginning of the reporting period	80,267.89	1,36,190.83	5,87,871.72	5,19,038.12	13,23,368.56
	Transfer from Retained Earning	-	-	-	-	-
	Add: Reversal of Investment in Associate	-	-	749.17	-	749.17
	Profit/(Loss) for the period/ year	-	-	5,836.15	-	5,836.15
	Other Comprehensive Income	-	-	-	-	-
	Balance as at September 30, 2023	80,267.89	1,36,190.83	5,94,457.04	5,19,038.12	13,29,204.71

Footnote: For purpose & nature of Other Equity, refer Note No. 9.5

For and on behalf of  
**Rajgaria & Associates**  
Chartered Accountants  
Registration No. 314241E

*Agarwal*  
**CA Dibya Agarwal**  
Partner  
Membership No. 304601

135A, B R B Basu Road  
Kolkata - 700 001  
Dated: **12 JAN 2024**



For & on behalf of Board of Directors

*Agarwal*  
**(Amit Agarwal, Managing Director)**  
DIN: 003380891

*Aditya Agarwal*  
**(Aditya Agarwal, Director & CFO)**  
DIN: 00140683

*Santanu Kumar Hazra*  
**Santanu Kumar Hazra**  
Company Secretary



**ABHA PROPERTY PROJECT LTD.**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

PARTICULARS	(Amount in Rupees Thousands)	
	AS AT 30.09.2023	AS AT 31.03.2023
<b>(A) Cash Flow From Operating Activities :-</b>		
Net Profit/(Loss) Before Tax	6,148.84	16,876.53
Adjustments For :-		
Share of Profit/ (Loss) of Associates	905.69	203.61
Interest Received on Deposits	(2,347.09)	(3,164.93)
Gain on Mutual Fund on Restating of Fair Value	(5,632.38)	(8,586.07)
Dividend Received	(24.88)	
Share of Profit from Partnership Firm	-	(5,906.92)
Net (Gain)/Loss on Sale Of Investment	-	(17,454.31)
Operating Profit/(Loss) Before Working Capital Changes	(949.82)	(577.78)
Adjustments For :-		
Trade and other Payables	2.62	(6.89)
	2.62	(6.89)
Cash Generated From Operations :-	(947.20)	(584.67)
Direct Taxes (Paid) / Refund Received ( Net )	(706.60)	(988.12)
Cash Flow Before Extra Ordinary Items	(1,653.80)	(1,572.79)
Extra Ordinary Items	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>(1,653.80)</b>	<b>(1,572.79)</b>
<b>(B) Cash Flow From Investing Activities :-</b>		
Purchase / Sale of Fixed Assets	-	-
Sale/ (Purchase) of Investments (Net)	-	26,599.11
Movement in Other Financial Assets	(15,940.83)	(65,710.70)
Interest Received	2,347.09	3,164.93
(Investment in)/Withdrawal from Partnership Firm	-	(20,000.00)
Dividend Received	24.88	24.88
Movement in Long Term Loans & Advances	-	-
<b>Net Cash Flow From Investing Activities</b>	<b>(13,568.86)</b>	<b>(55,921.78)</b>
<b>(C) Cash Flow From Financing Activities :-</b>		
Changes in Share Capital	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash & Cash Equivalents :-	(15,222.66)	(57,494.57)
Opening Balance of Cash & Cash Equivalents	28,409.83	85,904.40
Closing Balance of Cash & Cash Equivalents (Note 2)	13,187.17	28,409.83

This is the Consolidated Cash Flow Statements referred to in our report of even date

For and on behalf of  
**Rajgaria & Associates**  
Chartered Accountants  
Registration No.314241E

*Agarwal*

**CA Dibya Agarwal**  
Partner  
Membership No. 304601

135A, B R B Basu Road  
Kolkata - 700 001

Dated: 12 JAN 2024

For & on behalf of Board of Directors

*Amit Agarwalla*  
(Amit Agarwalla, Managing Director)  
DIN: 00338081

*Aditya Agarwalla*  
(Aditya Agarwalla, Director & CFO)  
DIN: 00140683

*Santanu K. Hazra*  
**Santanu Kumar Hazra**  
Company Secretary

**ABHA PROPERTY PROJECT LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These Financial Statements comply in all material aspects with Indian Accounting Standard (IND-AS) notified under section 133 of the Companies Act, 2013 (The Act), Companies (Indian Accounting Standard) Rules, 2015 and other relevant provision of the Act.

**Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

**Financial Assets and Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when this unit of the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value.. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the unit of the company which is generally taken as 12 month otherwise these are classified as non- current.

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

**(i) Financial assets and financial liabilities measured at Amortized Cost**

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

**(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.



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**ABHA PROPERTY PROJECT LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Investments:** Investments are stated at cost. Provision for diminution in the value of each investment, arrived at on the basis of market value in case of quoted shares & break up value as per last available audited accounts in case of unquoted shares, considered separately is made in the accounts unless the same is considered to be temporary in nature.

**Revenue Recognition:** Revenue is recognised on transfer of significant risk & reward of ownership to the buyer and so long as there is a reasonable assurance for its collection. If at the time of raising of claim, it is unreasonable to expect ultimate collection, revenue collections are postponed. Dividend income is recognized when right to receive the same is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**Income & Expenditure:** All items of income & expenses are accounted for on their accrual to the extent possible & unless otherwise stated. Periodical expenses viz insurance, taxes etc. are not apportioned over the period but are charged as & when incurred.

**Provision for Current and Deferred Tax:** Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred Tax Assets & Deferred Tax Liability have been offset as they relate to the same governing tax laws.

**Provisions, Contingent Liabilities and Contingent Assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Cash Flows:** Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.



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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)				
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023	
2.0	<b>CASH &amp; CASH EQUIVALENTS</b>			
	CASH ON HAND	851.36	856.83	
	BALANCES WITH BANKS			
	In Current Accounts	7,780.71	8,121.61	
	In Fixed Deposits	4,555.10	19,431.39	27,553.00
		<u>13,187.17</u>		<u>28,409.83</u>

Footnote: Fixed Deposits are due to mature within 12 months & include accrued interest thereon, net of TDS, if any, Rs. 5.10 (Last year Rs.11.05)

(Amount in Rupees Thousands)				
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023	
3.0	<b>INVESTMENTS</b>			
3.1	<b>INVESTMENT AT COST</b>	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u> <u>Amount</u>
	Unquoted Equity Shares of Rs. 10/- each			
	In Associate Companies			
	Negus Distributors Pvt. Ltd.	-	-	3,78,900 43,725.00
	<b>TOTAL (A)</b>		-	<u>43,725.00</u>
3.2	<b>INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>			
	Unquoted Shares of Rs. 10/- each			
	Anindra Sales Pvt Ltd.	2,40,000	3,412.80	2,40,000 3,412.80
	Anjaney Ferro Alloys Ltd.	5,26,500	7,07,821.34	5,26,500 7,07,821.34
	Abbott Marketing Pvt Ltd	1,11,875	20,232.59	1,11,875 20,232.59
	Kharkia Properties Pvt Ltd.	1,24,950	10,750.70	1,24,950 10,750.70
	Subh drishti Consultants Pvt Ltd	1,25,000	34,460.94	1,25,000 34,460.94
	Maithan Ceramic Ltd	8,04,157	1,14,069.67	8,04,157 1,14,069.67
	Purbanchal Cement Ltd.	51,55,927	43,568.48	- -
	<b>TOTAL (B)</b>		<u>9,34,316.52</u>	<u>8,90,748.04</u>
3.3	<b>INVESTMENT AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>			
	<b>INVESTMENT IN PREFERENCE SHARES</b>			
	Unquoted Non- Cumulative, Non- Convertible, Redeemable, 0.1% Preference Shares of Rs. 10/- each			
	Debt Component in Preference shares			
	Maithan Ceramic Ltd	1,38,82,527	12,116.47	13,85,237 12,536.94
	Anjaney Ferro Alloys Ltd	11,00,000	11,000.00	11,00,000.00 11,615.45
	<b>TOTAL (C)</b>		<u>23,116.47</u>	<u>24,152.39</u>
3.4	<b>INVESTMENT IN UNITS OF MUTUAL FUNDS (AT COST)</b>			
	HDFC Low Duration Fund- Regular Plan - Growth	35,87,624.26	1,82,753.94	35,87,624.26 1,76,085.62
	<b>TOTAL (D)</b>		<u>1,82,753.94</u>	<u>1,76,085.62</u>



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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023
3.0	<b>INVESTMENTS</b>		
3.5	<b>INVESTMENT IN PARTNERSHIP FIRM</b>		
	<u>Maithan International</u>		
	At the beginning of the period/ year	2,84,492.63	2,58,585.70
	Addition/(Withdrawal) during the period/year	-	20,000.00
	Share of Profit/(Loss) for the period/year	-	5,906.92
	At the end of the period/year	2,84,492.63	2,84,492.62
	<b>TOTAL (e)</b>	<b>2,84,492.63</b>	<b>2,84,492.62</b>
	<b>Total of Investment(A to E)</b>	<b>14,24,679.56</b>	<b>14,19,203.67</b>
	<b>Details of Investment in Partnership Firm</b>		
		<b>% of Share in Profit/Loss</b>	<b>% of Share in Profit/Loss</b>
		<b>Amount</b>	<b>Amount</b>
	Vishal Agarwalla	35.00% 81,815.21	35.00% 81,815.21
	Aditya Agarwalla	40.00% 1,16,022.72	40.00% 1,16,022.72
	Abha Refractories Ltd.	20.00% 2,84,492.63	20.00% 2,84,492.63
	Dhruv Agarwalla	6.00% 55,019.53	6.00% 55,019.53
	Anshuman Agarwalla	6.00% 20,464.01	6.00% 20,464.01
	Raghav Agarwalla	6.00% 40,464.01	6.00% 40,464.01
		<b>5,98,278.11</b>	<b>5,98,278.11</b>
	Footnote: Capital as stated above is inclusive of share in Profit/Loss for the year & is net of firm's tax, if any.		
	Investments Outside India	-	-
	Investments Within India	14,24,679.56	14,19,203.67
		<b>14,24,679.56</b>	<b>14,19,203.67</b>
3.6	<b>Aggregate Book value of Unquoted Investments</b>	<b>14,24,679.56</b>	<b>14,19,203.67</b>
3.7	<b>Aggregate Fair value of Unquoted Investments</b>	<b>14,24,679.56</b>	<b>14,19,203.67</b>

**3.8 CALCULATION OF CARRYING AMOUNT OF INVESTMENT IN ASSOCIATE COMPANIES:**

	<b>Negus Distributors Pvt. Ltd.</b>		
	Carrying Amount B/F	43,725.00	43,928.61
	Share of Profit/(Loss) Adjusted	(905.69)	(203.61)
	Add Reversal of Share of Profit	749.17	-
	Carrying Amount of Investment	<b>43,568.48</b>	<b>43,725.00</b>

Footnote: In terms of Order dated 18th September, 2023 passed by Hon'ble National Company Law Tribunal, Kolkata Bench, M/s Negus Distributors Pvt Ltd. was amalgamated with M/s Subh Drishti Consultants Private Limited which ultimately amalgamated with M/s Purbanchal Cement Ltd. w.e.f. 1st April, 2022. According to the Scheme of Arrangement, approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, Equity shares of M/s Purbanchal Cement Ltd. shall be allotted to the Company, against its holding of 3,78,900 Equity shares in Negus Distributors Pvt Ltd. which have been shown as Company's investment herein above at the Fair value of erstwhile Negus Distributors Pvt Ltd.

The Fair value of Shares of M/s Purbanchal Cement Ltd as on 30th September, 2023 could not be determined in the absence of financial statement of Purbanchal Cement as on 30th September, 2023.

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023
4.0	<b>OTHER FINANCIAL ASSETS</b>		
	Fixed Deposit with Bank	95,000.00	81,000.00
	Accrued Interest on Fixed Deposits	2,869.11	935.09
	Advances Recoverable in cash or in kind or for value to be received	6.80	-
		<b>97,875.91</b>	<b>81,935.09</b>

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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023
5.0	<b>CURRENT TAX ASSETS (NET)</b>		
	Payment of Taxes (Net of Provisions)	694.50	564.92
		<u>694.50</u>	<u>564.92</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023
6.0	<b>OTHER FINANCIAL LIABILITIES</b>		
	Expenses Payable	122.73	120.11
		<u>122.73</u>	<u>120.11</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023
7.0	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	<u>Liabilities:</u>		
	In respect of Timing difference in Income		
	For Current Period/ Year	96,307.41	96,416.53
	For Earlier Period /Year	95,911.52	96,066.71
	<u>Assets:</u>		
	In respect of Timing difference in unrealized Income	(4,858.20)	(4,858.20)
		<u>1,87,360.73</u>	<u>1,87,625.04</u>

(Amount in Rupees Thousands)					
NOTE NO.	PARTICULARS	AS AT 30.09.2023	AS AT 31.03.2023		
8.0	<b>SHARE CAPITAL</b>	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
8.1	<b>AUTHORISED</b>				
	Equity Shares of Rs. 10/- each	1,14,00,000	1,14,000.00	19,00,000	19,000.00
8.2	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>				
	Equity Shares of Rs. 10/- each				
	At the beginning of the period/ year	18,99,980	18,999.80	18,99,980	18,999.80
	Changes during the period/ year	-	-	-	-
	At the end of the period/ year	18,99,980	18,999.80	18,99,980	18,999.80
8.3	<b>SHAREHOLDERS HOLDING 5% OR MORE OF SHARE CAPITAL AS AT THE END OF PERIOD/ YEAR</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	Jagdish Prasad Agarwalla	6,83,730	35.99%	6,83,730	35.99%
	Swati Agarwalla	96,000	5.05%	96,000	5.05%
	Orchid Merchants Pvt. Ltd.	1,20,340	6.33%	1,20,340	6.33%
	Tirupati Mansion Pvt. Ltd.	1,78,000	9.37%	1,78,000	9.37%
	Sita Agarwalla	4,79,840	25.26%	4,79,840	25.26%
8.4	<b>SHARES HELD BY PROMOTERS AT THE END OF PERIOD/ YEAR</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	Jagdish Prasad Agarwalla HUF	68,500	3.61%	68,500	3.61%
	Basant Kumar Agarwalla HUF	80,050	4.21%	80,050	4.21%
	Jagdish Prasad Agarwalla	6,83,730	35.99%	6,83,730	35.99%
	Dhruv Agarwalla	5,000	0.26%	5,000	0.26%
	Anshuman Agarwalla	5,000	0.26%	5,000	0.26%
	Swati Agarwalla	96,000	5.05%	96,000	5.05%
	Sita Agarwalla	4,79,840	25.26%	4,79,840	25.26%
	Footnote: In case, where any shareholder is holding more than 5% of share capital in one year but less than 5% of share capital in another year, the information about shareholding for the year in which the shareholding is less than 5% has not been furnished.				



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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

NOTE NO.	PARTICULARS	(Amount in Rupees Thousands)	
		AS AT 30.09.2023	AS AT 31.03.2023
8.0	<b>SHARE CAPITAL</b>		
8.5	<b>%age Change, if any, in Promoters Holding during the period/ year</b>		
	There is no change in promoters holding during the period/ year		
8.6	The company has only one class of shares viz. equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in the proportion to their shareholdings.		
8.7	During the half year ended , the Authorised Equity Share Capital of the Company is increased from 19,00,000 Equity shares to 1,14,00,000 Equity shares vide Resolution passed in Annual General Meeting dated 25th August,2023		

NOTE NO.	PARTICULARS	(Amount in Rupees Thousands)	
		AS AT 30.09.2023	AS AT 31.03.2023
9.0	<b>OTHER EQUITY</b>		
9.1	<b>CAPITAL RESERVE</b>		
	At the beginning of the period/ year	80,267.89	80,267.89
	Changes during the period/ year	-	-
	At the end of the period/ year	80,267.89	80,267.89
9.2	<b>STATUTORY RESERVE (under 45-IC of RBI Act)</b>		
	At the beginning of the period/ year	1,36,190.83	1,34,484.78
	Changes during the period/ year		
	- Transfer from Surplus	-	1,706.05
	At the end of the period/ year	1,36,190.83	1,36,190.83
9.3	<b>RETAINED EARNING</b>		
	At the beginning of the period/ year	5,87,871.72	5,42,806.81
	Deferred Tax for Earlier period/ Year	-	9,958.29
	Add: Realised Gain on Sale of Investment through FVTOCI	-	42,739.46
	Add: Investment in Associates Eliminated	749.17	-
	Profit/ (Loss) for the period/ Year	5,836.15	13,989.79
		5,94,457.04	5,89,577.77
	<b>Appropriation during the period/ year</b>		
	Transfer to Statutory Reserve	-	1,706.05
	At the end of the period/ year	5,94,457.04	5,87,871.72
9.4	<b>OTHER COMPREHENSIVE INCOME</b>		
	At the beginning of the period/ year	5,19,038.12	3,40,693.32
	Deferred Tax for Earlier period/ Year	-	86,458.24
	Less: Realised Gain on Sale of Investment through FVTOCI	-	42,739.46
	Other Comprehensive Income for the period/ year	-	3,07,542.50
	At the end of the period/ year	5,19,038.12	5,19,038.12
		13,29,953.88	13,23,368.56

**9.5 Nature & Purpose of Other Equity**

- Equity Component of Preference Shares represents equity content in Preference shares reclassified in accordance with
- Retained Earnings generally represents the undistributed profits/amount of accumulated earnings of the Company.
- Other Comprehensive Income represents the balance in equity relating to gain/losses on re-measurement of defined benefit obligations & remeasurement of Investments, net of taxes. This will not be reclassified to Statement of Profit and Loss. Any realised gain/loss on sale of investments is transferred to retained earning

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**ABHA PROPERTY PROJECT LTD.**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
<b>10.0</b>	<b><u>OTHER INCOME</u></b>		
	Gain on remeasurment of Investments	5,632.38	8,586.07
	Share of Profit in Partnership Firm	-	5,906.92
	Dividend Income	24.88	-
	Interest Income on Deposits	2,347.09	3,164.93
	Interset on Tax Refund	-	0.85
		<u>8,004.35</u>	<u>17,658.77</u>

(Amount in Rupees Thousands)

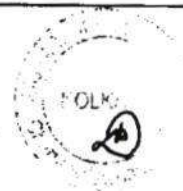
NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
<b>11.0</b>	<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
	Salary & Allowance	75.00	155.50
		<u>75.00</u>	<u>155.50</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
<b>12.0</b>	<b><u>OTHER EXPENSES</u></b>		
	Advertisement	9.66	12.85
	Bank Charges	-	-
	Depository Service Charges	21.24	21.24
	Filing Fee	715.47	42.26
	Listing Fee	64.90	47.20
	Legal & Professional Fee	42.40	177.46
	Payment To Auditors	8.00	97.00
	Rates & Taxes	5.75	10.06
	Demat Charges	1.77	1.90
	Miscellaneous Expenses	5.63	13.16
		<u>874.82</u>	<u>423.13</u>
<b>12.1</b>	<b><u>DETAILS OF PAYMENT TO AUDITORS</u></b>		
	For Statutory Audit Fee	-	77.50
	For Income Tax Matters	-	7.50
	For Certification	8.00	12.00
		<u>8.00</u>	<u>97.00</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
<b>13.0</b>	<b><u>EARNING PER SHARE (EPS - FACE VALUE RS.10/-)</u></b>		
	-Net Profit/(Loss) attributable to Shareholders	5,836.15	13,989.79
	-Weighted Average number of Equity Shares outstanding as at the end of the period/ year	18,99,980	18,99,980
	-Basic & Diluted Earning per Share	3.07	7.36



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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
14.0	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b> (To The Extent Not Provided For)		
14.1	<u>Contingent Liabilities</u>	NIL	NIL
14.2	<u>Commitments</u>	NIL	NIL

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	PERIOD ENDED 30.09.2023	YEAR ENDED 31.03.2023
15.0	<b>PARTICULAR IN RESPECT OF FOREIGN CURRENCY TRANSACTION</b>		
15.1	<u>EXPENDITURE IN FOREIGN CURRENCY</u>	NIL	NIL
15.2	<u>EARNINGS IN FOREIGN EXCHANGE</u>	NIL	NIL

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS		
16.0	<b>RELATED PARTY DISCLOSURES</b>		
16.1	List of related parties with whom transactions have taken place during the year:		
	Subsidiary Company	Abha Refractories Ltd. Abha Ferro Alloys Ltd.	
	Associate Company	Negus Distributors Pvt. Ltd. ( Refer Footnote)	
	Key Management Personnel	Vishal Agarwalla - Director Amit Agarwalla - Managing Director Suresh Kumar Sharma - Managing Director Sumit Agarwalla - Director Aditya Agarwalla - Director & CFO Sajan Kumar Kharkia - Director ( Upto 29th May,2023) Sajan Kumar Kharkia - CFO & Director Vikash Kharkia - Director Niranjan Kumar Agarwal - Director Ramesh Kumar Poddar - Director (Upto 29th May,2023) Abhijit Bhattacharjee - Director Ajay Sharma - Director & CFO Mandeep Kaur Jaiswal - Director ( w.e.f 29th May,2023) Ayushi Khaitan - Director ( w.e.f 29th May,2023) Santanu Kumar Hazra -Company Secretary W.e.f 22nd November,2021	
	Enterprises over which Key Management Personnel & their relatives have significant influence	Maithan International	
	Relatives of Key Management Personnel	Nil	

16.2	<u>Details of transaction with related parties:</u>	30.09.2023		31.03.2023	
		Trasaction during the year	Amount Outstanding as at the year end	Transaction during the year	Amount Outstanding as at the year end
	1) Capital Introduction/(withdrawal)				
	Maithan International	-	2,84,492.63	20,000.00	2,84,492.63
	2) Share of Profit / (Loss) from Firm				
	Maithan International	-	-	5,906.92	-
	Salary Paid				
	Sanatanu Kumar Hazra	75.00	12.50	130.00	12.50

Footnote: 1) Transactions only during the period of existence of relationship have been disclosed hereinabove. Also in cases where relationship ceased to exist as at the end of the year, balances outstanding, if any, from such parties have not been disclosed.

2) In terms of Order dated 18th September, 2023 passed by Hon'ble National Company Law Tribunal, Kolkata Bench, M/s Negus Distributors Pvt Ltd. was amalgmated with M/s Subh Drishti Consultants Private Limited which ultimately amalgmated with M/s Purbanchal Cement Ltd. w.e.f. 1st April, 2022. However, the order was received in September 2023, hence M/s Negus Distributors Pvt Ltd. was ceases to be associated w.e.f 1st July, 2023.

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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

NOTE NO.	PARTICULARS
17.0	<b>SEGMENT REPORTING</b> The Company is an investment company operating in India only & as such segment reporting as defined in Accounting Standard 17 is not applicable.

NOTE NO.	PARTICULARS
18.0	As required in terms of paragraph 18 of "Master Direction- Non-banking Financial Company- Non-Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016", a schedule containing required information is enclosed separately.

NOTE NO.	PARTICULARS
19.0	<b>Additional regulatory information required by Schedule III of Companies Act, 2013</b>
19.1	The Company does not have any relationship with struck off company u/s 248 of Companies Act, 2013
19.2	The company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of layers) rules 2017.
19.3	Utilization of borrowed funds & Share Premium: The company has no borrowed funds & has not utilised its Share Premium during the year
19.4	The company has not been declared as a Willful Defaulter by any Bank or financial institution or other lender.
19.5	There are no charges required or satisfaction thereof which are yet to be registered with the Registrar of Companies beyond the statutory period.
19.6	The Company has not been sanctioned not availed any working capital facilities by banks requiring it to file quarterly returns or statements with the banks.
19.7	No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988(45 of 1988) and rules made thereunder.

NOTE NO.	PARTICULARS
20.0	The consolidated financial statements presents the consolidated accounts of <b>Abha Property Project Ltd.</b> with its Subsidiary Companies ( <b>Abha Ferro Alloys Ltd. &amp; Abha Refractories Ltd.</b> ) & Associate Company ( <b>Negus Distributors Pvt Ltd</b> - Upto June 2023) all incorporated in India.

PARTICULARS	Net Asset i.e. (Total Asset-Total) As a % of		Share of profit As a % of	
	Consolidated Net Assets	Amount (Rs.)	Consolidated Net Assets	Amount (Rs.)
<u>Parent</u>	55.33%	7,35,912.64	-6.47%	(377.66)
<u>Subsidiaries</u>				
<u>Indian :</u>				
Abha Ferro Alloys Ltd.	36.10%	4,80,078.04	130.96%	7,642.79
Abha Refractories Ltd.	8.63%	1,14,712.36	-8.97%	(523.30)
<u>Foreign :</u>				
None	N.A.	N.A.	N.A.	N.A.
<u>Associates</u>				
<u>Indian</u>				
Negus Distributors Pvt. Ltd.	-0.06%	-749.16	-15.52%	(905.68)
<u>Foreign :</u>				
None	N.A.	N.A.	N.A.	N.A.
<u>Joint Ventures (Indian/ Foreign) - None</u>	N.A.	N.A.	N.A.	N.A.
	100.00%	13,29,953.88	100.00%	5,836.15

12 JAN 2024



**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

NOTE NO.	PARTICULARS			
21.0	<b>FINANCIAL INSTRUMENTS &amp; RELATED DISCLOSURES</b>			
	This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1 to the financial statements.			
	<b>CATEGORIES OF FINANCIAL INSTRUMENTS</b>	<b>Note No:</b>	<b>AS AT 30.09.2023</b>	<b>AS AT 31.03.2023</b>
	<b>Financial Assets</b>			
	<b>Measured at Amortised Cost</b>			
	Cash and Cash Equivalents	2	13,187.17	28,409.83
	Investments	3	4,67,246.57	5,04,303.24
	Other Non Financial Assets	5	97,875.91	81,935.09
	<b>Total Financial Assets Measured at Amortised Cost</b>		<b>5,78,309.65</b>	<b>6,14,648.16</b>
	<b>Measured at Fair Value through Other Comprehensive Income</b>			
	Investments - Non Current	3	9,34,316.52	8,90,748.04
	<b>Measured at Fair Value through Statement of Profit &amp; Loss</b>			
	Investments - Non Current	3	23,116.47	24,152.39
	<b>Financial Liabilities</b>			
	<b>Measured at Amortised Cost</b>			
	Other Financial Liabilities	6	122.73	120.11
	<b>Total Financial Liabilities Measured at Amortised Cost</b>		<b>122.73</b>	<b>120.11</b>

NOTE NO.	PARTICULARS			
22.0	<b>FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES</b>			
	The Company's financial liabilities comprise capital and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include other receivables, cash and cash equivalents, investments at cost/fair value and deposit.			
	The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:			
	<b>Market Risk</b>			
	Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, etc.			
	The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.			
	<b>Particulars</b>	<b>Payable within 1 year</b>	<b>Payable in more than 1 year</b>	<b>Total</b>
	<b>As at 31st March 2022</b>			
	Other Financial Liabilities	120.11	-	120.11
	<b>As at 30 th September 2023</b>			
	Other Financial Liabilities	122.73	-	122.73



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**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2023**

NOTE NO.	PARTICULARS
23.0	<b>CAPITAL MANAGEMENT</b>
	For the purpose of the Company's capital management, capital includes Issued Equity Capital, Capital Reserve and all other Equity Reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the Share holder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

NOTE NO.	PARTICULARS	For the period/ year ended		%age Variance
		30TH SEPTEMBER 2023	31ST MARCH, 2023	
24.0	<b>Ratio Analysys &amp; Its Elements</b>			
	(a) Capital to risk - weighted assets ratio	-	-	-
	<u>Numerator</u> : Paid Up Capital			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
	(b) Tier-1 CRAR	-	-	-
	<u>Numerator</u> : Shareholders' Equity			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
	(c) Tier-2 CRAR	-	-	-
	<u>Numerator</u> : Shareholders' Equity + Supplementary Capital (Provision for Loan Loss, Revaluation Reserve, Undisclosed Reserve etc.)			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
	(d) Liquidity Coverage Ratio	(0.87)	(0.49)	0.75
	<u>Numerator</u> : Liquid Assets i.e. Cash & Cash Equivalents			
	<u>Denominator</u> : Total Net Cash Flows			
	<u>Reason of Variance</u> : Not Applicable as below 25%			

NOTE NO.	PARTICULARS
25.0	Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year presentation.

For and on behalf of

Rajgaria & Associates  
Chartered Accountants  
Registration No.314241E

*CA Dibya Agarwal*  
CA Dibya Agarwal  
Partner  
Membership No. 304601

135A, B R B Basu Road  
Kolkata - 700 001

Dated: 12 JAN 2024

For & on behalf of Board of Directors

*Amit Agarwal*  
(Amit Agarwalla, Managing Director)  
DIN: 00338081

*Aditya Agarwal*  
(Aditya Agarwalla, Director & CFO)  
DIN: 00140683

*Santanu Kumar Hazra*  
Santanu Kumar Hazra  
Co. Secretary





**A. K. Gutgutia & Associates**  
**Chartered Accountants**

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**ABHA PROPERTY PROJECT LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of **Abha Property Project Limited** ("the company"), its Subsidiaries and its Associates (together referred to as "the Group") which comprise the Balance Sheet as at **31<sup>st</sup> March, 2023**, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at **31<sup>st</sup> March, 2023**, its **Profit** and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

We draw attention to the following:

- i) Paragraph (a) under 'Principle of Consolidation' in Note no. 1 – "Significant Accounting Policies" which states that in the absence of information in respect of net assets and profit/(loss) of the Associate as on the date of acquisition of shares of associate, Goodwill or Capital Reserve as the case may be, on consolidation, has been calculated on the basis of audited financial statements available for the year ended immediately preceding the date of transaction in the shares of Associate company.
- ii) Paragraph (c) under 'Principle of Consolidation' in Note no. 1 – "Significant Accounting Policies" which states that difference of cost of investment in share of Associate and share of net asset in the Associate is identified and disclosed in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be with Investment in share of associate.

In our opinion, the above principles constitute a departure from the compliance of Accounting Standard-23 - Accounting for Investment in shares of Associates in consolidated financial statements", impact of which on the consolidated financial statements could not be ascertained and our opinion is not qualified on these matters.

Contd...



**A. K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Property Project Limited - Independent Auditors' Report on Consolidated Financial Statements-31.03.2023 Contd...**

**Information Other than the Financial Statements & Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report etc. but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

**Responsibility of Management for Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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**A. K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Property Project Limited - Independent Auditors' Report on Consolidated Financial Statements-31.03.2023 Contd...**

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of the identified misstatements in the consolidated financial statements

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**A. K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Property Project Limited - Independent Auditors' Report on Consolidated Financial Statements-31.03.2023Contd...**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the aforesaid consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors of the Company as on **31st March, 2023** taken on record by the Board of Directors of the Company & of subsidiary companies incorporated in India and the reports of the statutory auditors of the subsidiary companies, none of the directors of the Group companies incorporated in India are disqualified as on **31st March, 2023**, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A' which is based on the auditors' reports of the companies & its subsidiary companies incorporated in India.

Contd...



**A. K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Property Project Limited - Independent Auditors' Report on Consolidated Financial Statements-31.03.2023Contd...**

g. No managerial remuneration has been paid during the year & provisions of Section 197 read with schedule V to the Act are not applicable to the company.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position other than those, is any, already disclosed in the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has further represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.





**A. K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Property Project Limited - Independent Auditors' Report on Consolidated Financial Statements-31.03.2023 Contd...**

(v) No dividend was declared or paid during the year by the Company requiring compliance with section 123 of the Act

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

**For A.K. Gutgutia & Associates**  
Chartered Accountants  
Registration No. 327314E

Kolkata; 29<sup>th</sup> May, 2023  
UDIN: 23304601BGZCXS1876

**(CA Dibya Agarwal)**  
Partner  
Membership No. 304601





**A.K. Gutgutia & Associates**  
**Chartered Accountants**

**Re: Abha Property Project Limited**  
**Annexure-A to the Independent Auditors' Report on Consolidated Financial Statements -**  
**31.03.2023**

**Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**Opinion**

We have audited the internal financial controls over financial reporting of **Abha Property Project Limited** ('the holding company') and its subsidiary companies incorporated in India, as at **31st March 2023** in conjunction with our audit of the financial statements of the Company for the year ended on the date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2023**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The respective Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Contd....



**A.K. Gutgutia & Associates**  
**Chartered Accountants**

**Abha Property Project Limited –Annexure “A” to the Independent Auditors Report on Consolidated Financial Statements –31.03.2023 Contd...**

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the company's assets; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For A.K. Gutgutia & Associates**  
Chartered Accountants  
Registration No. 327314E

Kolkata; 29<sup>th</sup> May, 2023  
UDIN: 23304601BGZCXS1876

**(CA Dibya Agarwal)**  
Partner  
Membership No. 304601

135A, B. R. B. Basu Road, 2<sup>nd</sup> Floor, Kolkata – 700 001; Phone: 2242 9107



**ABHA PROPERTY PROJECT LTD.****CIN: L51909WB2001PLC093941****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023****(Amount in Rupees Thousands)**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>AS AT 31.03.2023</b>	<b>AS AT 31.03.2022</b>
<b>ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents	2	28,409.83	85,904.40
Investments	3	1,419,203.67	1,014,943.71
Other Financial Assets	4	81,935.09	16,224.39
		<b>1,529,548.59</b>	<b>1,117,072.50</b>
<b>NON FINANCIAL ASSETS</b>			
Current Tax Assets (Net)	5	564.92	307.11
<b>TOTAL ASSETS</b>		<b>1,530,113.51</b>	<b>1,117,379.61</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
Other Financial Liabilities	6	120.11	127.03
<b>NON FINANCIAL LIABILITIES</b>			
Deferred Tax Liabilities (Net)	7	187,625.04	
<b>EQUITY</b>			
Equity Share Capital	8	18,999.80	18,999.80
Other Equity	9	1,323,368.56	1,098,252.78
		<b>1,342,368.36</b>	<b>1,117,252.58</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,530,113.51</b>	<b>1,117,379.61</b>

**Significant Accounting Policies****1**

The notes referred to above form an integral part of these Consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of

For &amp; on behalf of Board of Directors

**A. K. Gutgutia & Associates**

Chartered Accountants

Registration No.327314E

**(Amit Agarwalla, Managing Director)****DIN: 00338081****CA Dibya Agarwal**

Partner

Membership No. 304601

**(Aditya Agarwalla, Director & CFO)****DIN: 00140683**

135A, B R B Basu Road

Kolkata - 700 001

Dated: 29th May, 2023

**Santanu Hazra****Co. Secretary**

**ABHA PROPERTY PROJECT LTD.**  
**CIN: L51909WB2001PLC093941**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>INCOME</b>			
Other Income	10	17,658.77	20,334.28
<b>TOTAL REVENUE</b>		<b>17,658.77</b>	<b>20,334.28</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	11	155.50	404.66
Other Expenses	12	423.13	326.07
<b>TOTAL EXPENSES</b>		<b>578.63</b>	<b>730.73</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>17,080.14</b>	<b>19,603.55</b>
<b>TAX EXPENSE</b>			
Current Tax	726.00	800.00	
For Earlier Years	4.30		
Deferred Tax	2,156.44	2,886.74	800.00
<b>PROFIT/(LOSS) AFTER TAX BUT BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>		<b>14,193.40</b>	<b>18,803.55</b>
Share of Profit/(Loss) of Associates		(203.61)	550.27
		<b>13,989.79</b>	<b>19,353.82</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
a) Item that will not be reclassified to Profit & Loss		396,594.57	88,581.10
- Income Tax relating to (a) above		89,052.07	-
b) Item that will be reclassified to Profit & Loss		-	-
- Income Tax relating to (b) above		-	-
<b>Other Comprehensive Income (a+b)</b>		<b>307,542.50</b>	<b>88,581.10</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>321,532.29</b>	<b>107,934.92</b>
<b>EARNINGS PER EQUITY SHARE OF FACE VALUE OF Rs.10/- EACH</b>			
Basic & Diluted Earning	13	7.47	9.90

**Significant Accounting Policies**

1

The notes referred to above form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

For and on behalf of

**A. K. Gutgutia & Associates**

Chartered Accountants

Registration No.327314E

For & on behalf of Board of Directors

**(Amit Agarwalla, Managing Director)**

DIN: 00338081

**CA Dibya Agarwal**

Partner

Membership No. 304601

**(Aditya Agarwalla, Director & CFO)**

DIN: 00140683

135A, B R B Basu Road

Kolkata - 700 001

Dated: 29th May, 2023

**Santanu Hazra**

Co. Secretary

**ABHA PROPERTY PROJECT LTD.**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

<b>PARTICULARS</b>	<b>AS AT 31.03.2023</b>	<b>AS AT 31.03.2022</b>
<b>(A) Cash Flow From Operating Activities :-</b>		
Net Profit/(Loss) Before Tax	16,876.53	20,153.82
Adjustments For :-		
Share of Profit/ (Loss) of Associates	203.61	(550.27)
Interest Received on Deposits	(3,164.93)	(3,501.83)
Gain on Mutual Fund on Restating of Fair V	(8,586.07)	(6,325.70)
Share of Profit from Partnership Firm	(5,906.92)	(10,506.75)
Net (Gain)/Loss on Sale Of Investment	-	(20,884.55)
Operating Profit/(Loss) Before Working Capital Changes	(577.78)	(730.73)
Adjustments For :-		
Trade and other Payables	(6.90)	(15.08)
	(6.89)	(15.08)
Cash Generated From Operations :-	(584.67)	(745.81)
Direct Taxes (Paid) / Refund Received ( Net )	(988.12)	(1,439.83)
Cash Flow Before Extra Ordinary Items	(1,572.79)	(2,185.64)
Extra Ordinary Items	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>(1,572.79)</b>	<b>(2,185.64)</b>
<b>(B) Cash Flow From Investing Activities :-</b>		
Purchase / Sale of Fixed Assets		-
Sale/ (Purchase) of Investments (Net)	26,599.11	-
Movement in Other Financial Assets	(65,710.70)	-
Interest Received	3,164.93	3,501.83
(Investment in)/Withdrawal from Partnership Firm	(20,000.00)	(5,000.00)
Dividend Received	24.88	11.00
Movement in Long Term Loans & Advances	-	5,125.00
<b>Net Cash Flow From Investing Activities</b>	<b>(55,921.78)</b>	<b>3,637.83</b>
<b>(C) Cash Flow From Financing Activities :-</b>		
Changes in Share Capital	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash & Cash Equivalents :-	(57,494.57)	1,452.19
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>85,904.40</b>	<b>84,452.21</b>
<b>Closing Balance of Cash &amp; Cash Equivalents (Note 2)</b>	<b>28,409.83</b>	<b>85,904.40</b>

This is the Consolidated Cash Flow Statements referred to in our report of even date

For and on behalf of  
**A. K. Gutgutia & Associates**  
Chartered Accountants  
Registration No.327314E

For & on behalf of Board of Directors  
**(Amit Agarwalla, Managing Director)**  
DIN: 00338081

**CA Dibya Agarwal**  
Partner  
Membership No. 304601

**(Aditya Agarwalla, Director & CFO)**  
DIN: 00140683

135A, B R B Basu Road  
Kolkata - 700 001  
Dated:29th May,2023

**(Santanu Hazra)**  
Co. Secretary



ABHA PROPERTY PROJECT LTD.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

**A. EQUITY SHARE CAPITAL**

PARTICULARS	No of Shares	Amount
Balance as at April 1, 2021	18,99,980	18,999.80
Changes in Equity Share Capital during the period/year	-	-
Balance as at March 31, 2022	18,99,980	18,999.80
Changes in Equity Share Capital during the period/year	-	-
Balance as at March 31, 2023	18,99,980	18,999.80

**B. OTHER EQUITY**

PARTICULARS	Capital Reserve	Statutory Reserve (under 45IC of RBI Act)	Retained Earning	Equity Instrument through Other Comprehensive Income	Total
Balance as at April 1, 2021	80,267.89	1,30,369.60	5,01,973.57	2,52,112.20	9,64,723.26
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	80,267.89	1,30,369.60	5,01,973.57	2,52,112.20	9,64,723.26
Transfer from Retained Earning	-	2,138.27	(2,138.27)	-	-
Profit for the period/year	-	-	19,353.82	88,581.12	1,07,934.94
Other Comprehensive Income	-	-	-	-	-
Balance as at March 31, 2022	80,267.89	1,32,507.87	5,19,189.12	3,40,693.32	10,72,658.20
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	80,267.89	1,32,507.87	5,19,189.12	3,40,693.32	10,72,658.20
Transfer from Retained Earning	-	-	13,989.79	3,07,542.50	3,21,532.29
Profit/(Loss) for the period/ year	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
Balance as at March 31, 2023	80,267.89	1,32,507.87	5,33,178.91	6,48,235.82	13,94,190.49ss

Footnote: For purpose & nature of Other Equity, refer Note No. 9.5

For and on behalf of  
A.K. Gutgutia & Associates  
Chartered Accountants  
Registration No.327314E

CA Dibya Agarwal  
Partner  
Membership No. 304601

135A, B R B Basu Road  
Kolkata - 700 001  
Dated: 12th January, 2024

For & on behalf of Board of Directors

(Amit Agarwalla, Managing Director)  
DIN: 00338081

(Aditya Agarwalla, Director & CFO)  
DIN: 00140683

Santanu Kumar Hazra  
Company Secretary

**ABHA PROPERTY PROJECT LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These Financial Statements comply in all material aspects with Indian Accounting Standard (IND-AS) notified under section 133 of the Companies Act, 2013 (The Act), Companies (Indian Accounting Standard) Rules, 2015 and other relevant provision of the Act.

**Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

**Financial Assets and Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when this unit of the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the unit of the company which is generally taken as 12 month otherwise these are classified as non- current.

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

**(i) Financial assets and financial liabilities measured at Amortized Cost**

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

**(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.



**ABHA PROPERTY PROJECT LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Investments:** Investments are stated at cost. Provision for diminution in the value of each investment, arrived at on the basis of market value in case of quoted shares & break up value as per last available audited accounts in case of unquoted shares, considered separately is made in the accounts unless the same is considered to be temporary in nature.

**Revenue Recognition:** Revenue is recognised on transfer of significant risk & reward of ownership to the buyer and so long as there is a reasonable assurance for its collection. If at the time of raising of claim, it is unreasonable to expect ultimate collection, revenue collections are postponed. Dividend income is recognized when right to receive the same is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**Income & Expenditure:** All items of income & expenses are accounted for on their accrual to the extent possible & unless otherwise stated. Periodical expenses viz insurance, taxes etc. are not apportioned over the period but are charged as & when incurred.

**Provision for Current and Deferred Tax:** Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred Tax Assets & Deferred Tax Liability have been offset as they relate to the same governing tax laws.

**Provisions, Contingent Liabilities and Contingent Assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Cash Flows:** Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.



**ABHA PROPERTY PROJECT LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation:**

The consolidated financial statements have been prepared on the following basis:

a) These consolidated Financial Statements comprise the financial statements of the Company, its subsidiaries & its associate companies. The consolidation of subsidiaries has been done on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits, to the extent possible, in accordance with Accounting Standard on "Consolidated Financial Statement" (AS 21). Investments in Associate Company have been accounted under the equity method as per accounting standard (AS 23) - "Accounting for investment in Associates in Consolidated Financial Statements". However, since the portion of net assets & profit/ (loss) as on the date of acquisition of shares of Associate company is not available, the same has been taken as per the latest audited financial statements available for the year ended immediately preceding the date of transaction in the shares of respective associate companies for the purpose of determining goodwill/capital reserve, as the case may be, on consolidation and also for the purpose of determining shares of profit in Associate. Similarly, in case where a company ceases to be an Associate, the proportionate share in profit/ loss of the Associate in respect of the year in which such change takes place, is not recognised due to non-availability of such information as on the date of change. In case the accumulated losses of an Associate Company exceed the carrying amount of investment in respective associate company, such excess is not recognized in the accounts and the carrying amount is taken as Nil.

b) The company accounts for its shares of post-acquisition changes in net assets of associates, after eliminating unrealized profits or losses resulting from transaction, if any, between the company and its Associate to the extent of its share, through its Consolidated Statement of Profit & Loss, to the extent such change is attributable to the Associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.

c) The Difference between the cost of investment in the subsidiary/associates, over the net assets at the time of acquisition of shares in the subsidiary/ associates is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. However, in case of consolidated financial statement of Associates companies, such Goodwill/ Capital Reserve has been disclosed by way of notes only.

The Consolidated Financial Statements of the group company is made in accordance with Companies Act, 2013 read with Schedule III. However, for a better comparison of the Consolidated Financial Statements, profit in respect of years prior to the previous year 2015-2016 has been directly adjusted in Surplus by way of separate disclosure.

d) Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which Investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of Investments and the Net profit/loss for the year of the subsidiary.

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
2.0	<b>CASH &amp; CASH EQUIVALENTS</b>		
	CASH ON HAND	856.83	481.23
	BALANCES WITH BANKS	-	
	In Current Accounts	8,121.61	8,014.30
	In Fixed Deposits	19,431.39	77,408.87
		<u>27,553.00</u>	<u>85,423.17</u>
		<u>28,409.83</u>	<u>85,904.40</u>

Footnote: Fixed Deposits are due to mature within 12 months & include accrued interest thereon, net of TDS, if any, Rs. 11.05 (Last year Rs.7.62)

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
3.1	<b>INVESTMENTS</b>		
3.2	<b>INVESTMENT AT COST</b>		
	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>
	<u>Unquoted Equity Shares of Rs. 10/- each</u>		
	<u>In Associate Companies</u>		
	Negus Distributors Pvt. Ltd.	378,900	378,900
		<u>43,725.00</u>	<u>43,928.61</u>
	<b>TOTAL (A)</b>	<u>43,725.00</u>	<u>43,928.61</u>
3.3	<b>INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
	<u>Unquoted Shares of Rs. 10/- each</u>		
	Anindra Sales Pvt Ltd.	240,000	240,000
		3,412.80	3,196.18
	Anjaney Ferro Alloys Ltd.	526,500	526,500
		707,821.34	365,431.25
	Abbott Marketing Pvt Ltd	111,875	111,875
		20,232.59	8,425.74
	Kharkia Properties Pvt Ltd.	124,950	124,950
		10,750.70	10,565.88
	Srinath Ji Ispat Ltd	-	305,300
		-	37,005.99
	Subh drishti Consultants Pvt Ltd	125,000	
		34,460.94	
	Maithan Ceramic Ltd	804,157	804,157
		114,069.67	96,127.53
	<b>TOTAL (B)</b>	<u>890,748.04</u>	<u>520,752.57</u>
3.4	<b>INVESTMENT AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>		
	<b>INVESTMENT IN PREFERENCE SHARES</b>		
	<u>Unquoted Non- Cumulative, Non- Convertible, Redeemable, 0.1% Preference Shares of Rs. 10/- each</u>		
	<u>Debt Component in Preference shares</u>		
	Maithan Ceramic Ltd	-	-
		12,536.94	12,325.29
	Anjaney Ferro Alloys Ltd	1,100,000	1,100,000.00
		11,615.45	11,397.99
	<b>TOTAL (C)</b>	<u>24,152.39</u>	<u>23,723.28</u>
3.5	<b>INVESTMENT IN UNITS OF MUTUAL FUNDS (AT COST)</b>		
	HDFC Low Duration Fund- Regular Plan - Growth	3,587,624	3,587,624.26
		176,085.62	167,953.55
	<b>TOTAL (D)</b>	<u>176,085.62</u>	<u>167,953.55</u>



**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
3.0	<b>INVESTMENTS</b>		
3.5	<b>INVESTMENT IN PARTNERSHIP FIRM</b>		
	<u>Maithan International</u>		
	At the beginning of the year	258,585.70	243,078.95
	Addition/(Withdrawal) during the year(Net)	20,000.00	5,000.00
	Share of Profit/(Loss) for the year	5,906.92	10,506.75
	At the end of the year	284,492.62	258,585.70
	<b>TOTAL (e)</b>	284,492.62	258,585.70
	<b>Total of Investment(A to E)</b>	1,419,203.67	1,014,943.71
	<b>Details of Investment in Partnership Firm</b>		
		% of Share in Profit/Loss	% of Share in Profit/Loss
		Amount	Amount
	Vishal Agarwalla	35.00% 81,815.21	35.00% 71,323.42
	Aditya Agarwalla	40.00% 116,022.72	40.00% 103,899.54
	Abha Refractories Ltd.	20.00% 284,492.63	20.00% 258,585.70
	Dhruv Agarwalla	6.00% 55,019.53	5.00% 33,388.13
	Anshuman Agarwalla	6.00% 20,464.01	- -
	Raghav Agarwalla	6.00% 40,464.01	- -
		598,278.11	467,196.79
	Footnote: Capital as stated above is inclusive of share in Profit/Loss for the year & is net of firm's tax, if any.		
	Investments Outside India	-	-
	Investments Inside India	1,419,203.67	1,014,943.71
		1,419,203.67	1,014,943.71
3.6	<b>Aggregate Book value of Unquoted Investments</b>	1,419,203.67	1,014,943.71
3.7	<b>Aggregate Fair value of Unquoted Investments</b>	1,419,203.67	1,014,943.71
3.8	<b>CALCULATION OF CARRYING AMOUNT OF INVESTMENT IN ASSOCIATE COMPANIES:</b>		
	<b>Negus Distributors Pvt. Ltd.</b>		
	Carrying Amount B/F	43,928.61	43,378.34
	Share of Profit/(Loss) Adjusted	(203.61)	550.27
	Carrying Amount of Investment	43,725.00	43,928.61

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
4.0	<b>OTHER FINANCIAL ASSETS</b>		
	Fixed Deposit with Bank	81,000.00	-
	Accrued Interest on Fixed Deposits	935.09	2,124.39
	Advances Recoverable in cash or in kind or for value to be received	-	14,100.00
		81,935.09	16,224.39

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
5.0	<b>CURRENT TAX ASSETS (NET)</b>		
	Payment of Taxes (Net of Provisions)	564.92	307.11
		564.92	307.11

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
6.0	<b>OTHER FINANCIAL LIABILITIES</b>		
	Expenses Payable	120.11	127.03
		<u>120.11</u>	<u>127.03</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
7.0	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	<u>Liabilities:</u>		
	In respect of Timing difference in Income		
	For Current Year	96,416.53	
	For Earlier Year	96,066.71	
	<u>Assets</u>		
	In respect of Timing difference in unrealized Income	(4,858.20)	-
		<u>187,625.04</u>	<u>-</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
8.0	<b>SHARE CAPITAL</b>	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
8.1	<b>AUTHORISED</b>				
	Equity Shares of Rs. 10/- each	1,900,000	19,000.00	1,900,000	19,000.00
8.2	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>				
	Equity Shares of Rs. 10/- each				
	At the beginning of the year	1,899,980	18,999.80	1,899,980	18,999.80
	Changes during the year	-	-	-	-
	At the end of the year	1,899,980	18,999.80	1,899,980	18,999.80
8.3	<b>SHAREHOLDERS HOLDING 5% OR MORE OF SHARE CAPITAL AS AT THE END OF YEAR</b>				
		<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	Jagdish Prasad Agarwalla	683,730	35.99%	683,730	35.99%
	Swati Agarwalla	96,000	5.05%	96,000	5.05%
	Orchid Merchants Pvt. Ltd.	120,340	6.33%	120,340	6.33%
	Tirupati Mansion Pvt. Ltd.	178,000	9.37%	178,000	9.37%
	Sita Agarwalla	479,840	25.26%	479,840	25.26%
8.4	<b>SHARES HELD BY PROMOTERS AT THE END OF YEAR</b>				
	<b>Name of Promoter</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	Jagdish Prasad Agarwalla HUF	68,500	3.61%	68,500	3.61%
	Basant Kumar Agarwalla HUF	80,050	4.21%	80,050	4.21%
	Jagdish Prasad Agarwalla	683,730	35.99%	683,730	35.99%
	Dhruv Agarwalla	5,000	0.26%	5,000	0.26%
	Anshuman Agarwalla	5,000	0.26%	5,000	0.26%
	Swati Agarwalla	96,000	5.05%	96,000	5.05%
	Sita Agarwalla	479,840	25.26%	479,840	25.26%

Footnote: In case, where any shareholder is holding more than 5% of share capital in one year but less than 5% of share capital in another year, the information about shareholding for the year in which the shareholding is less than 5% has not been furnished.

**8.5 %age Change, if any, in Promoters Holding during the year**

There is no change in promoters holding during the year

- 8.6** The company has only one class of shares viz. equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in the proportion to their shareholdings.



**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
9.0	<b>OTHER EQUITY</b>		
9.1	<b>CAPITAL RESERVE</b>		
	At the beginning of the year	80,267.89	80,267.89
	Changes during the year	-	-
	At the end of the year	80,267.89	80,267.89
9.2	<b>STATUTORY RESERVE (under 45-IC of RBI Act)</b>		
	At the beginning of the year	134,484.78	132,346.51
	Changes during the year		
	- Transfer from Surplus	1,706.05	2,138.27
	At the end of the year	136,190.83	134,484.78
9.3	<b>RETAINED EARNING</b>		
	At the beginning of the year	542,806.81	527,118.83
	Deferred Tax for Earlier Year	9,958.29	
	Add: Realised Gain on Sale of Investment through FVTOCI	42,739.46	
	Profit/ (Loss) for the Year	13,989.79	19,353.82
	Less Investment in Associates Eliminated	-	(1,527.57)
		589,577.77	544,945.08
	<u>Appropriation during the Year</u>		
	Transfer to Statutory Reserve	1,706.05	2,138.27
	At the end of the year	587,871.72	542,806.81
9.4	<b>OTHER COMPREHENSIVE INCOME</b>		
	At the beginning of the year	340,693.32	252,112.20
	Deferred Tax for Earlier Year	86,458.24	
	Less: Realised Gain on Sale of Investment through FVTOCI	42,739.46	
	Other Comprehensive Income for the year	307,542.50	88,581.12
	At the end of the year	519,038.12	340,693.32
		1,323,368.56	1,098,252.78

**9.5 Nature & Purpose of Other Equity**

- i) Equity Component of Preference Shares represents equity content in Preference shares reclassified in accordance with
- ii) Retained Earnings generally represents the undistributed profits/amount of accumulated earnings of the Company.
- iii) Other Comprehensive Income represents the balance in equity relating to gain/losses on re-measurement of defined benefit obligations & remeasurement of Investments, net of taxes. This will not be reclassified to Statement of Profit and Loss. Any realised gain/loss on sale of investments is transferred to retained earning

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEARENDED 31.03.2023	YEARENDED 31.03.2022
10.0	<b>OTHER INCOME</b>		
	Gain on remeasurment of Investments	8,586.07	6,325.70
	Share of Profit in Partnership Firm	5,906.92	10,506.75
	Interest Income on Deposits	3,164.93	3,501.83
	Interset on Tax Refund	0.85	-
		17,658.77	20,334.28

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEARENDED 31.03.2023	YEARENDED 31.03.2022
11.0	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salary & Allowance	155.50	404.66
		155.50	404.66

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>12.1</b>	<b><u>OTHER EXPENSES</u></b>		
	Advertisement	12.85	13.10
	Bank Charges	-	0.02
	Depository Service Charges	21.24	21.24
	Filing Fee	42.26	7.20
	Listing Fee	47.20	29.50
	Legal & Professional Fee	177.46	116.34
	Payment To Auditors	97.00	94.50
	Rates & Taxes	10.06	10.05
	Demat Charges	1.90	1.29
	Miscellaneous Expenses	13.16	32.83
		<u>423.13</u>	<u>326.07</u>
<b>12.2</b>	<b><u>DETAILS OF PAYMENT TO AUDITORS</u></b>		
	For Statutory Audit Fee	77.50	60.00
	For Income Tax Matters	7.50	23.50
	For Certification	12.00	11.00
		<u>97.00</u>	<u>94.50</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>13.0</b>	<b><u>EARNING PER SHARE (EPS - FACE VALUE RS.10/-)</u></b>		
	-Net Profit/(Loss) attributable to Shareholders	14,193.40	18,803.55
	-Weighted Average number of Equity Shares outstanding as at the end of the year	1,899,980	1,899,980
	-Basic & Diluted Earning per Share	7.47	9.90

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>14.1</b>	<b><u>CONTINGENT LIABILITIES AND COMMITMENTS</u></b>		
	(To The Extent Not Provided For)		
<b>14.2</b>	<b><u>Contingent Liabilities</u></b>	NIL	NIL
<b>14.3</b>	<b><u>Commitments</u></b>	NIL	NIL

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>15.1</b>	<b><u>PARTICULAR IN RESPECT OF FOREIGN CURRENCY TRANSACTION</u></b>		
<b>15.2</b>	<b><u>EXPENDITURE IN FOREIGN CURRENCY</u></b>	NIL	NIL
<b>15.3</b>	<b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>	NIL	NIL

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	
16.1	<b>RELATED PARTY DISCLOSURES</b>	
16.2	List of related parties with whom transactions have taken place during the year:	
	Subsidiary Company	Abha Refractories Ltd. Abha Ferro Alloys Ltd.
	Associate Company	Negus Distributors Pvt. Ltd.
	Key Management Personnel	Vishal Agarwalla - Director Sumit Agarwalla - Director Sajan Kumar Kharkia - Director Vikash Kharkia - Director Niranjan Kumar Agarwal - Director Suresh Kumar Sharma - Managing Director Ramesh Kumar Poddar - Director Amit Agarwalla - Managing Director Abhijit Bhattacharjee - Director Ajay Sharma - Director & CFO Aditya Agarwalla - Director & CFO Khusboo Agarwal - Company Secretary - Upto 22nd November, 2021 Santanu Kumar Hazra - Company Secretary W.e.f 22nd November, 2021
	Enterprises over which Key Management Personnel & their relatives have significant influence	Maithan International
	Relatives of Key Management Personnel	Nil
16.2	<b>Details of transaction with related parties:</b>	
		31.03.2023
		Amount
		Trasaction during the year
		Outstanding as at the year end
		31.03.2022
		Amount
		Transaction during the year
		Outstanding as at the year end
	1) Capital introduction/(withdrawal)	
	Maithan International	20,000.00      5,000.00      284,492.63      258,585.70
	2) Share of Profit / (Loss) from Firm	
	Maithan International	5,906.92      10,506.75      -      -
	<u>Salary Paid</u>	
	Khusboo Agarwal	-      -      104.00      -
	Sanatanu Kumar Hazra	130.00      12.50      50.00      10.00
	Kanupriya Sharma	-      -      178.66      -

NOTE NO.	PARTICULARS
17.0	<b>SEGMENT REPORTING</b>
	The Company is an investment company operating in India only & as such segment reporting as defined in Accounting
NOTE NO.	PARTICULARS
18.0	As required in terms of paragraph 18 of "Master Direction- Non-banking Financial Company- Non-Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016", a schedule containing required information is enclosed separately.



**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

NOTE NO.	PARTICULARS
19.0	<b>Additional regulatory Information required by Schedule III of Companies Act,2013</b>
19.1	The Company does not have any relationship with struck off company u/s 248 of Companies Act,2013
19.2	The company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act,2013 read
19.3	Utilization of borrowed funds & Share Premium: The company has no borrowed funds & has not utilised its Share Premium
19.4	The company has not been declared as a Wilful Defaulter by any Bank or financial institution or other lender.
19.5	There are no charges required or satisfaction thereof which are yet to be registered with the Registrar of Companies beyond the
19.6	The Company has not been sanctioned not availed any working capital facilities by banks requiring it to file quarterly returns or
19.7	No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988(45 of 1988) and rules made thereunder.

NOTE NO.	PARTICULARS
20.0	The consolidated financial statements presents the consolidated accounts of <b>Abha Property Project Ltd.</b> with its Subsidiary Companies ( <b>Abha Ferro Alloys Ltd. &amp; Abha Refractories Ltd.</b> ) Associate companies ( <b>Negus Distributors Pvt. Ltd.</b> ), all incorporated in India.
	<div style="display: flex; justify-content: space-around;"> <div> <b>Net Asset i.e. (Total Asset-Total</b>  <b>As a % of</b>  <b>Consolidated Net</b>  <b>Assets</b> </div> <div> <b>Amount (Rs.)</b> </div> <div> <b>Share of profit</b>  <b>As a % of</b>  <b>Consolidated Net</b>  <b>Assets</b> </div> <div> <b>Amount (Rs.)</b> </div> </div>
	<b>PARTICULARS</b>
	<u>Parent</u>
	56.21%      754,540.93      81.95%      11,464.02
	<u>Subsidiaries</u>
	<u>Indian :</u>
	Abha Ferro Alloys Ltd.      35.19%      472,435.25      18.27%      2,556.15
	Abha Refractories Ltd.      8.58%      115,235.67      1.24%      173.24
	<u>Foreign :</u>
	None      N.A.      N.A.      N.A.      N.A.
	<u>Associates</u>
	<u>Indian</u>
	Negus Distributors PVt. Ltd.      0.01%      156.51      -1.46%      (203.61)
	<u>Foreign :</u>
	None      N.A.      N.A.      N.A.      N.A.
	<u>Joint Ventures (Indian/ Foreign) - None</u>
	N.A.      N.A.      N.A.      N.A.
	100.00%      1,342,368.36      100.00%      13,989.80



**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

NOTE NO.	PARTICULARS			
21.0	<b>FINANCIAL INSTRUMENTS &amp; RELATED DISCLOSURES</b>			
	This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1 to the financial statements.			
	<b>CATEGORIES OF FINANCIAL INSTRUMENTS</b>	<b>Note No:</b>	<b>AS AT 31.03.2023</b>	<b>AS AT 31.03.2022</b>
	<u><b>Financial Assets</b></u>			
	<u><b>Measured at Amortised Cost</b></u>			
	Cash and Cash Equivalents	2	28,409.83	85,904.40
	Investments	3	81,935.09	16,224.39
	Other Non Financial Assets	5	81,935.09	1,529,548.59
	<b>Total Financial Assets Measured at Amortised Cost</b>		<b>192,280.01</b>	<b>1,631,677.38</b>
	 <b>Measured at Fair Value through Statement of Profit &amp; Loss</b>			
	Investments - Non Current	3	#BEZUG!	#BEZUG!
	 <u><b>Financial Liabilities</b></u>			
	<u><b>Measured at Amortised Cost</b></u>			
	Other Financial Liabilities	6	120.11	127.03
	<b>Total Financial Liabilities Measured at Amortised Cost</b>		<b>120.11</b>	<b>127.03</b>

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

NOTE NO.

PARTICULARS

22.0

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's financial liabilities comprise capital and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include other receivables, cash and cash equivalents, investments at cost/fair value and deposit.

The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:

**Market Risk**

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, etc.

The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

Particulars	Payable within 1 year	Payable in more than 1 year	Total
<b>As at 31st March 2022</b>			
Other Financial Liabilities	127.03	-	127.03
<b>As at 31st March 2023</b>			
Other Financial Liabilities	120.11	-	120.11

NOTE NO.	PARTICULARS
<b>23.0</b>	<b><u>CAPITAL MANAGEMENT</u></b>
	For the purpose of the Company's capital management, capital includes Issued Equity Capital, Capital Reserve and all other Equity Reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the Share holder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

NOTE NO.	PARTICULARS	For the year ended		%age Variance
		31ST MARCH 2023	31ST MARCH 2022	
<b>24.1</b>	<b><u>Ratio Analysys &amp; its Elements</u></b>			
(a)	Capital to risk - weighted assets ratio	-	-	-
	<u>Numerator</u> : Paid Up Capital			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
(b)	Tier-1 CRAR	-	-	-
	<u>Numerator</u> : Shareholders' Equity			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
(c)	Tier-2 CRAR	-	-	-
	<u>Numerator</u> : Shareholders' Equity + Supplementary Capital (Provision for Loan Loss, Revaluation Reserve, Undisclosed Reserve etc.)			
	<u>Denominator</u> : Aggretd Risk Weighted Assets			
	<u>Reason of Variance</u> : Not Applicable as there is no credit, Market or operational risk			
(d)	Liquidity Coverage Ratio	-	-	-
	<u>Numerator</u> : Liquid Assets i.e. Cash & Cash Equivalents			

**ABHA PROPERTY PROJECT LTD.**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

Denominator: Total Net Cash Flows

Reason of Variance: Not Applicable

NOTE NO.	PARTICULARS
25.1	<p><b>Standard Issued/ amended but not yet effective</b></p> <p>Ministry of Corporate Affairs ("MCA"), vide notification dated 31st March 2023, has made the following amendments to the existing standards which are effective from 1st April 2023:</p> <p>(a) Ind AS 1 Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.</p> <p>(b) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.</p> <p>(c) Ind AS 12 Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.</p> <p>(d) Other Ind AS Amendments: There are also consequential or editorial amendments in Ind AS 101, 102, 103, 107, 109, 115.</p> <p>Based on preliminary assessment, the Company does not expect significant impact of these changes on its standalone financial statements.</p>

NOTE NO.	PARTICULARS
26.0	<p>Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year presentation.</p>

For and on behalf of

**A. K. Gutgutia & Associates**

Chartered Accountants

Registration No.327314E

(Amit Agarwalla, Managing Director)  
DIN: 00338081

**CA Dibya Agarwal**

Partner

Membership No. 304601

(Aditya Agarwalla, Director & CFO)  
DIN: 00140683

135A, B R B Basu Road

Kolkata - 700 001

Dated: 29th May, 2023

(Santanu Hazra)  
Co. Secretary

## ACCOUNTING RATIOS

The following table presents certain accounting and other ratios derived from audited consolidated financial statements for the six months period ended September 30, 2023 and financial years ending March 31, 2023 and March 31, 2022. For further details please refer to “**Financial Statement**” page 94 of this Draft Letter of Offer.

Particulars	For the six months period ended September 30, 2023*	Year ended March 31, 2023	Year ended March 31, 2022
Earnings Per Share			
a. Basic Earnings Per Share (after extraordinary items) (in ₹)	3.55	7.47	9.90
b. Diluted Earnings Per Share (after extraordinary items) (In ₹)	3.55	7.47	9.90
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	0.81	1.72	2.42
Net Asset Value per Equity Share each (In ₹)	436.80	433.34	408.72
Face Value per Equity Share (In ₹)	10.00	10.00	10.00
EBITDA (₹ in Lakhs)	70.55	170.80	196.04

\* *Non-annualised*

The formula used in the computation of the above ratios is as follows:

Basic earnings per share	Net Profit/ (Loss) after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted earnings per share	Net Profit/ (Loss) after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on net worth (%)	Net Profit/ (Loss) after tax for the period/ year attributable to Equity Shareholders divided by net Worth at the end of the period multiplied by 100.
Net Assets Value per Equity Share	Net worth as at the period/ year end/ period end divided by total number of equity shares outstanding at the end of the period.
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortization Expense



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements as of and for the Fiscal 2023 and Fiscal 2022 and our Audited consolidated financials for the half year ended September 30, 2023 included in this Draft Letter of Offer. Our audited consolidated financial statements for Fiscal 2023 and Fiscal 2022 and Audited consolidated financials for the six months period ended September 30, 2023, are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Consolidated Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Abha Property Project Limited, our Company. Unless otherwise indicated, consolidated financial information included herein are based on our “**Financial Statement**” for the Financial Year 2023 and 2022 and the six months period ended on September 30, 2023 included in this Draft letter of offer on page 94 of this Draft Letter of Offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company was incorporated as “Abha Property Project Limited” as a public limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Company has got Certificate of Commencement of Business dated June 06, 1985, issued by Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identification Number of our Company is L51909WB2001PLC093941.

In the year 1985, the Company came out with an IPO and got listing at Delhi Stock Exchange. Delhi Stock Exchange is ceases to be act a functional stock exchange as the same has been de-recognised by SEBI vide its order dated 23rd January, 2017.

In the year 1989, the Company has been taken over by new management by virtue of change in directorship and controlling interest in the Shareholding in the phased manner from the year 1991 to 1997 and the present promoter Jagdish Prasad Agarwalla along with PAC's completed the acquisition of shares from erstwhile promoters of the Company pursuant to an open offer made under Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 which commenced on June 6, 2006 and expired on June 15, 2006.

Our Company got Non-Banking Financial Company (NBFC– Non Deposit Taking) registration certificate from RBI, New Delhi Regional Office, to carry on the NBFI (Non-Banking Financial Institution) activities under section 45 IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.00806 dated 13.09.2000.

For further details, please refer “**Our Business**” on page 77 of this Draft Letter of Offer.



## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factor**” on page 19 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies;
- Company’s results of operations and financial performance;
- Our ability to attract and retain qualified personnel;
- The performance of the financial market in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Market fluctuations and industry dynamics beyond our control;
- Conflict of interest with our promoter and other related parties;
- Other factors beyond our control;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Un-favourable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.
- Availability of cost- effective sources of capital;
- Credit quality and provisioning;
- Our ability to successfully execute our growth strategies;
- General Economic and Market Conditions;
- Changes, if any, in the regulations / regulatory framework/ economic policies in India and/ or in foreign countries, which affect national & international finance.
- Changes in the value of the Indian rupees and other currencies;
- Arising any type of pandemic situation.

## **OUR SIGNIFICANT ACCOUNTING POLICIES**

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2023, as required by Ind AS and other applicable standards, see section titled “**Financial Statement**” on page 94 of this Draft Letter of Offer.

## **CHANGE IN ACCOUNTING POLICIES**

Except as mentioned in chapter “**Financial Statement**” on page 94 of this Draft Letter of Offer, there has been no change in the accounting policies as at and for the year ended March 31, 2023 and six months period ended September 30, 2023.

## SUMMARY OF THE RESULT OF OPERATIONS

### Our Results of Operations

The following table sets forth select financial data from our Audited consolidated financial statement of profit and loss for the financial years ended March 31, 2023 and 2022 and Audited consolidated financials for the six months period ended September 30, 2023, the components of which are also expressed as a percentage of total revenue for such period and financial years:

*(₹ in Lakhs)*

Particulars	For the period ended 30th September, 2023	(%)*	For the year ended 31st March, 2023	(%)*	For the year ended 31st March, 2022	(%)*
	<b>Audited</b>		<b>Audited</b>		<b>Audited</b>	
<b>INCOME</b>						
Revenue from Operations	-	0.00%	-	0.00%	-	0.00%
Other income	80.04	100.00%	176.59	100.00%	203.34	100.00%
<b>Total Revenue from Operations</b>	<b>80.04</b>	<b>100.00%</b>	<b>176.59</b>	<b>100.00%</b>	<b>203.34</b>	<b>100.00%</b>
<b>EXPENSES</b>						
Employee Benefit Expenses	0.75	0.94%	1.56	0.88%	4.05	1.99%
Other Expenses	8.75	10.93%	4.23	2.40%	3.26	1.60%
Interest	-	0.00%	-	0.00%	-	0.00%
Depreciation	-	0.00%	-	0.00%	-	0.00%
<b>Total Expenses</b>	<b>9.50</b>	<b>11.87%</b>	<b>5.79</b>	<b>3.28%</b>	<b>7.31</b>	<b>3.59%</b>
<b>Profit/(Loss) before Tax</b>	<b>70.55</b>	<b>88.13%</b>	<b>170.80</b>	<b>96.72%</b>	<b>196.04</b>	<b>96.41%</b>
Current Tax	5.77	7.21%	7.26	4.11%	8.00	3.93%
Earlier Years Tax	-	0.00%	0.04	0.02%	-	0.00%
Deferred Tax	-2.64	-3.30%	21.56	12.21%	-	0.00%
<b>Total Tax Expenses</b>	<b>3.13</b>	<b>3.91%</b>	<b>28.87</b>	<b>16.35%</b>	<b>8.00</b>	<b>3.93%</b>
<b>Profit/(Loss) after Tax</b>	<b>67.42</b>	<b>84.23%</b>	<b>141.93</b>	<b>80.38%</b>	<b>188.04</b>	<b>92.47%</b>

\* (%) column represents percentage of total revenue from Operations

### Revenue and Expenses

Our revenue and expenses are reported in the following manner:

#### Total Revenues

- Revenue of operations:**

Our Company's revenue from operation is Nil.

- Other Income:**

Our Company's other income comprises Gain on re-measurement of Investments, Share of Profit in Partnership Firm, Interest Income on Deposits and Dividend Income.

#### Expenses

Our expenses primarily consist of Employee Benefits Expenses and Other Expenses.

- **Employment Benefit Expenses:**

It includes Salary Expenses and Staff Welfare Expense related to Employees.

- **Other Expenses:**

Other expense mainly comprises of expenses related to Advertisement, Depository Service Charges, Filing Fees, Listing Fees, Legal & Professional Fees, Rates & Taxes, Demat Charges, Impairment in Value of Investment and Miscellaneous Expenses.

- **Tax Expenses**

Tax expense comprises of current tax, Earlier Years Tax and deferred tax.

## **FINANCIAL YEAR 2022-23 COMPARED WITH THE FINANCIAL YEAR 2021-22**

### **Total Revenue**

### **Other Income**

Other income decreased by 13.16% from ₹203.34 Lakhs for the financial year 2021-22 to ₹176.59 Lakhs for the financial year 2022-23.

### **Total Expenses**

Total Expenses decreased by 20.81% from ₹196.04 Lakhs for the financial year 2021-22 to ₹170.80 Lakhs for the financial year 2022-23.

### **Employee Benefit Expenses**

Employee Benefit Expenses decreased by 61.57% from ₹4.05 Lakhs for the financial year 2021-22 to ₹1.56 Lakhs for the financial year 2022-23.

### **Other Expenses**

Other Expenses increased by 29.77% from ₹3.26 Lakhs for the financial year 2021-22 to ₹4.23 Lakhs for the financial year 2022-23.

### **Profit/ (Loss) before Tax**

Profit/ (Loss) before Tax decreased by 12.87% from ₹196.04 Lakhs for the financial year 2021-22 to ₹170.80 Lakhs for the financial year 2022-23.

### **Profit/ (Loss) after Tax**

Profit/ (Loss) after Tax decreased by 24.52% from ₹188.04 Lakhs for the financial year 2021-22 to ₹141.93 Lakhs for the financial year 2022-23.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoters, directors and their entities primarily relate to share of profit from partnership firm. For further details of related parties kindly refer chapter titled “**Financial Statement**” on page 94 of this Draft letter of offer.

## **SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after September 30, 2023, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations.

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving the Company, its Directors and Promoters.*

### A. LITIGATION INVOLVING THE COMPANY

#### (a) Criminal proceedings against the Company

There are no outstanding criminal proceedings initiated against the Company.

#### (b) Criminal proceedings filed by the Company

There are no outstanding criminal proceedings initiated by the Company.

#### (c) Actions by statutory and regulatory authorities against the Company

There are no outstanding actions by statutory or regulatory authorities initiated against the Company.

#### (d) Tax Proceedings:

Except as mentioned as below, there are no outstanding Tax Proceedings against the company.

##### (I) Direct Tax: - NIL

##### (ii) Indirect Tax – NIL

#### (e) Other pending material litigations against the Company

There are no outstanding litigations initiated against the Company, which have been Considered material by the Company in accordance with the Materiality Policy.

#### (f) Other pending material litigations filed by the Company

There are no outstanding litigations initiated by the company, which have been considered Material by the Company in accordance with the Materiality Policy.

### B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY

#### (a) Criminal proceedings against the Promoters & Directors of the company

There are no outstanding criminal proceedings against the Promoters and Directors of the Company.

#### (b) Criminal proceedings filed by the Promoters & Directors of the company

There are no outstanding criminal proceedings initiated by the Promoters and Directors of The Company.

#### (c) Actions by statutory and regulatory authorities against the Directors of the company

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

#### (d) Tax Proceedings: Except as mentioned as below, there are no outstanding Tax

**Proceedings against the Promoters & Directors.**

(i) Direct tax –

**Amit Agarwalla-**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2013-14	143(1)(a)	28-07-2014	21,240	No Appeal has been preferred. The matter is pending.

**Sumit Agarwalla**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2017-18	143(1)(a)	15-04-2019	11,882	No Appeal has been preferred. The matter is pending.

(ii) Indirect Tax – NIL

**(e) Other pending material litigations against the Promoters & Directors of the company**

There are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters & Directors of the company**

There are no outstanding litigations initiated by the Directors, which have been considered Material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES & PROMOTERS GROUP WHICH CAN HAVE A MATERIAL IMPACT ON THE COMPANY****(a) Criminal proceedings against the Promoter Group & Group Companies**

There are no outstanding criminal proceedings initiated against the Promoter Group and Group Companies.

**(b) Criminal proceedings filed by the Promoter Group & Group Companies**

There are no outstanding criminal proceedings initiated by the Promoter Group and Group Companies.

**(c) Actions by statutory and regulatory authorities against the Promoter Group & Group Companies**

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoter Group and Group Companies.



(d) Tax Proceedings:

(i) Direct Tax: -

**Basant Kumar Agarwalla HUF**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2016-17	144	24-12-2018	8,48,550	<p>The assessee filed its income tax return for Assessment Year 2016-17 electronically on July 21, 2016, declaring an income of Rs.4,29,885/-. Subsequently, the case being transferred to ITO Ward 30(1) by order u/s 127, a notice u/s 143(2) was issued by ACIT, Central Circle 2 (1), Kolkata. After the objection raised by the assessee regarding jurisdiction, the records were transferred to ward 30(1), and a notice under 142(1) was issued. The assessment was completed by the Ld. A.O. under Section 143(3), assessing the income at Rs.33,29,632/-. The assessment included the disallowance of Rs.38,21,610/-, representing the difference between the claimed exemption under u/s 10(34A) and the distributed income declared by M/s Purbanchal Cement Ltd. The assessee contended that the claimed exemption was valid, calculated based on the buyback price and the cost of acquisition. However, the A.O. computed the long-term capital gain (LTCG) using indexation and added it to the total income. The assessee asserts that the A.O.'s computation of LTCG was contrary to the provisions of the Act, particularly Section 10(34A), which provides total exemption for income arising from the buyback of unlisted shares. It is contended that the A.O. misinterpreted the statute and ignored legal principles of construction and interpretation.</p> <p>Aggrieved by the above the Assessee has filed this Instant Appeal before the Commissioner of Income-tax (Appeals) on 25.01.2018.</p> <p>The matter is pending.</p>

**Jagdish Prasad Agarwalla HUF**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2016-17	144	24-12-2018	4,85,380	<p>The assessee filed its income tax return for Assessment Year 2016-17, electronically declaring an income of Rs. 6,68,600/-. It is alleged that, despite a transfer of the case to ITO Ward 30(1), a notice u/s. 143(2) was issued by ACIT, Central Circle 2 (1), and Kolkata. The assessee raised jurisdictional objections, leading to the transfer of records to Ward 30(1) and subsequent issuance of a notice u/s 142(1). The assessment was then completed by the Ld. A.O. under section 143(3), assessing income at Rs.29,01,041/-. The assessment included the disallowance of Rs.29,42,160/-, representing the difference between the claimed exemption u/s 10(34A) and the distributed income by M/s Purbanchal Cement Ltd. The A.O. computed the Long-Term Capital Gain (LTCG) in a manner contested by the assessee, who maintains that the computation was contrary to the provisions of the Act, specifically section 10(34A), which provides exemption for income arising from buyback of unlisted shares. The A.O.'s interpretation of the statute and application of section 46A, as well as the misidentification of the relevant statutory section in the assessment order, are points of contention. The assessee has lodged an appeal before the Commissioner of Income-tax (Appeals) on 25.01.2018 against the assessment order. In summary, the appeal challenges the A.O.'s assessment and computation of LTCG, arguing that it runs contrary to the specific provisions of section 10(34A) and fails to adhere to established legal principles of statutory interpretation.</p> <p>The matter is pending.</p>

(ii) Indirect Tax – NIL

**(e) Other pending material litigations against the Promoter Group & Group Companies**

As on the date of this Draft Letter of Offer, except as mentioned below, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**Commissioner of CGST & CX, Kolkata South Commissionerate.....Petitioner.**

**V/s**

**M/S Maithan International & ANR..... Respondent.**

<b>Case No.</b>	WPA/23723/2019
<b>Court/ Authority</b>	High Court, Calcutta
<b>Case Details</b>	The company has no information related to this matter.
<b>Status</b>	The case is Pending.

**(f) Other pending material litigations filed by the Promoter Group & Group Companies**

There are no outstanding litigations initiated by the Promoter Group & Group Companies, which have been considered material by the Company in accordance with the Materiality Policy.

**D. LITIGATIONS INVOLVING THE SUBSIDIARIES**

**(a) Criminal proceedings against the Subsidiaries**

There are no criminal actions initiated against the subsidiaries of the company.

**(b) Criminal proceedings filed by the Subsidiaries**

There are no outstanding criminal proceedings initiated by the subsidiaries of the company.

**(c) Actions by statutory and regulatory authorities against the Subsidiaries**

There are no outstanding actions by statutory or regulatory Authorities initiated against the Subsidiaries of the company.

**(d) Tax Proceedings:**

There are no outstanding Tax Proceedings against the subsidiaries of The Company.

i) Direct Tax:

**Abha Ferro Alloys Ltd.**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2020-21	154	08-06-2023	4,81,293	<p>The assessee company filed its income tax return for A.Y. 2020-2021, showing a total income of Rs.39,55,070/- after claiming a set-off of a brought forward loss of Rs.12,53,927/- from A.Y. 2018-19. However, the income was assessed at Rs.52,09,000/- under Section 143(1), denying the set-off of the brought forward loss. The assessed loss available for set-off, as per communication reference No. CPC /1819/ A6/ 1875564991 dated December 25, 2018, amounted to Rs.14,60,949/-. A portion of this loss was claimed as set-off for A.Y. 2019-20, which was allowed as per the intimation order bearing communication reference No CPC/1920/A6/1967599011 dated February 19, 2020. The assessee submitted rectification requests on two occasions, on May 10, 2022, and June 8, 2023, seeking reprocessing of the return due to the denial of the set-off. Despite this, two separate orders under Section 154 were issued, both maintaining the assessed income at Rs.52,09,000/-.</p> <p>Aggrieved by the above the Assessee has filed this Instant Appeal before the Commissioner of Income-tax (Appeals) on 25.01.2018.</p> <p>The Commissioner of Income-tax (Appeals) vide its order dated 14/11/2023 has allowed the Appeal. The Income Tax Department is yet to act on the matter.</p>

**Abha Refractories Ltd.**

Assessment Year	Section Code	Date of Demand	Amount (Rs.)	Particular
2019-20	143(1)(a)	12-05-2020	59,80,590	No Appeal has been preferred. The matter is pending.

ii) Indirect Tax – NIL.

**(e) Other pending material litigations against the Subsidiaries:**

There are no outstanding litigations initiated against the Subsidiaries, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Subsidiaries**

There are no outstanding litigations initiated filed by the Subsidiaries, which have been Considered material by the Company in accordance with the Materiality Policy.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on May 29, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. In-principle approval dated [●] from the CSE Limited to use the name of CSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;
3. The ISIN of the Company is INE964E01011.

### II. APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY.

Sr. No.	Description	Registration Number/Corporate Identification Number	Applicable law	Issuing Authority	Date of Issue	Validity
1.	Certificate of Incorporation	U70109DL1985 PLC020893	Companies Act, 1956	Registrar of Companies, N.C.T of Delhi & Haryana	May 10, 1985	Valid until Cancelled
2.	Certificate of Commencement of Business	-	Companies Act, 1956	Registrar of Companies, N.C.T of Delhi & Haryana	June 06, 1985	Valid until Cancelled
3.	Certificate of Registration of the Order of Company Law Board (CLB) confirming transfer of the Registered office from NCT of Delhi to West Bengal	L51909WB2001PLC093941#	Companies Act, 1956	Asstt. Registrar of Companies, West Bengal	November 19, 2001	Valid until Cancelled

*# Presently the date of incorporation and year of incorporation linked with the Corporate Identification Number of the Company as shown in the MCA portal are November 21, 2001 and 2001 respectively. The Company has filed Form GNL-1 on 28.09.2023 with Registrar of Companies, West Bengal to amend the date of Incorporation and year of incorporation linked with the Corporate Identification Number of the Company as shown in the MCA portal. The form was duly approved on 26.10.2023. The company has also made correspondences with Registrar of Companies, West Bengal on 20.10.2023 and 29.11.2023 respectively with respect to amendment in the date of incorporation and year of incorporation linked with the Corporate Identification Number of the Company as shown in the MCA portal. However, the same is yet to be corrected on MCA portal as on the date filing of this Draft Letter of Offer.*



### III. BUSINESS APPROVAL

Sr. No.	Description	Registration/ Licence Number	Applicable law	Issuing Authority	Date of Issue	Validity
1.	Certificate of Registration	B-05.06627	Reserve Bank of India Act, 1934	Reserve Bank of India, Department of Non-Banking Supervision Kolkata	07-07-2006	Valid until Cancelled
2.	Certificate of Enlistment	000211014874	KMC Act, 1980	License Department, Kolkata Municipal Corporation	01.04.2023	31.03.2024

### IV. TAX RELATED APPROVALS

Sr. No.	Description	Registration Number	Applicable law	Issuing Authority	Date of Issue/Filing	Validity
1	Permanent Account Number (PAN)	AACCA1967F	Income Tax Act, 1961	Income Tax Department Govt. of India.	10-05-1985	Valid until Cancelled
2	TAN (Tax Deduction Account Number)	CALA04655A	Income Tax Act, 1961	Income Tax Department Govt. of India.	Document not found	Valid until Cancelled

### V. INTELLECTUAL PROPERTY RELATED APPROVALS.

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Sr. No	Trade Mark Logo	Class	TM mark Type	Owner	Application No./ Registration Certificate No.	Date of Registration /Application	Current Status
1	NA						

VI. Approvals applied for but not yet received / Renewals made in the usual course of business: NA

VII. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required: NA

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue is authorized by our Board pursuant to a resolution passed in its meeting held on May 29, 2023 as per Section 62 of the Companies Act, 2013.

Our Company has received 'in-principle' approval from the CSE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letter no. [●] dated [●] being the Designated Stock Exchange.

The Board of Directors of our Company in their meeting held on May 29, 2023 have determined the Issue Price as ₹10/- per Rights Equity Share and the Rights Entitlement as 5 Rights Equity Share for every 1 Equity Share held on the Record Date i.e., [●]day, [●],[●]. The Issue Price has been determined at in consultation with the Lead Manager to the Issue.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company.

### Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, SEBI has not initiated any action against any entity with which the Directors are associated.

The Companies with which our director or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters, the members of the Promoter Group nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.

There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies.

### Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

### Eligibility for the Issue

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the CSE. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations. Our Company undertakes to make an application to the CSE for listing of the Right Shares to be issued pursuant to this Issue.

## **Compliance with Regulations 61 and 62(1) of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application for “in-principle” approval for listing of the Rights Equity Shares to CSE. We have received such approval from the CSE vide its letter no. [●] dated [●] day, [●]. We will apply to CSE for final approval for the listing and trading of the Rights Equity Shares. CSE is the Designated Stock Exchange for the Issue.

## **Disclaimer Clause of SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹5,000.00 lakhs. However, the Letter of Offer will be filed with SEBI.

## **Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:**

Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date;

The reports, statements and information referred to above in clause (1) are available on the website of the CSE;

1. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
2. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

## **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

## **Caution**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

## **Disclaimer from our Company and Lead Manager:**

Our Company and Lead Manager accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

### **Disclaimer with respect to jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Kolkata, India, only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of this Issue will be The Calcutta Stock Exchange Limited only.

### **Disclaimer clause of the Calcutta Stock Exchange Limited (“CSE”/ “Exchange”):**

As required, a copy of the Draft Letter of Offer has been submitted to the CSE. CSE has given, vide its letter [●] dated [●]day, [●] permission to this Company to use the Exchange’s name in the Letter of Offer as the Stock Exchange on which this Company’s securities are proposed to be listed. The CSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of the Letter of Offer; or
- ii. Warrant that this Company’s securities will be listed or will continue to be listed on the CSE; or
- iii. Take any responsibility for the financial or their soundness of this Company, its promoters, its management or any scheme or project of this Company;

It should not for any reason be deemed or construed that the Letter of Offer has been cleared or approved by the CSE.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the CSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **DISCLAIMER CLAUSE OF BSE LIMITED**

The Equity Shares of the Company are not listed on BSE Limited. Based on the application made by the Company, BSE Limited has given permission to the Company to use the bidding platform of BSE Limited i.e. Internet based-Book Building Software (iBBS) for the Rights Issue. BSE Limited does not in any manner:

- Warrant, certify or endorse the correctness, accuracy, or completeness of any of the contents of the Letter of Offer; and
- Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company; and
- Monitor any compliances / non-compliances, as the case may be, with respect to the filings made by the Company; and
- Will allow any person associated, directly or indirectly, including but not limited to the subscriber to the rights issue, any recourse to the investor grievance redressal mechanism including arbitration mechanism for any action undertaken in consonance with or pursuant to the Letter of Offer or even otherwise also.

And it should not for any reason be deemed or construed that the Letter of Offer has been scrutinized, cleared, or approved by BSE Limited.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Every person who desires to participate in the Rights Issue of the Company expressly understands that BSE

Limited is only providing its iBBS platform to the Company for its Rights Issue, that securities of the Company are listed on The Calcutta Stock Exchange Limited, that any complaint/grievances with regards to Rights Issue has to be filed with The Calcutta Stock Exchange Limited and that Equity Shares issued by the Company will not be listed at BSE Limited pursuant to Rights Issue.

In addition to the aforesaid, to the full extent possible and permissible by law, BSE Limited disclaims all the contents of the Letter of Offer, express or implied, including but not limited to the particular purpose of letter of offer vis-à-vis rights issue. It is understood and agreed that the Company's access to and use of the iBBS is at Company's own risk. BSE Limited will not be liable for any damages of any kind arising from the use of iBBS. BSE Limited shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages, or any loss of capital, profit or revenue, whether incurred directly or indirectly, or any loss of data, use, goodwill or other intangible losses resulting from the letter of offer, rights issue or the use of iBBS. Any use of the iBBS and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

#### **Filing:**

In terms of the SEBI ICDR Regulations, the minimum threshold limit of Rights Issue for filing the Letter of Offer with SEBI as specified in SEBI ICDR Regulations has been increased from ₹10 Crores to ₹50 Crores. In light of the above, the Company may open the Rights Issue if the size is less than ₹50 Crores subject to the following conditions:

- i. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI
- ii. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018 respectively shall be complied with.
- iii. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply.
- iv. Abridged letter of offer and the common application form shall be sent to all the shareholders on record date as specified in SEBI ICDR Regulations, 2018 and Circulars issued there under.

Further, this Draft Letter of Offer is being filed with the CSE.

#### **Selling Restrictions**

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below:

The distribution of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform by themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Material through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. The Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, the Lead Manager, BSE Limited, and CSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted

upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may be in fringe of applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material.

**THE CONTENTS OF THE LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.



Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY FROM THE LEAD MANAGER FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

#### **Investor Grievances and Redressal System:**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint. Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., Maheshwari Datamatics Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investor.

#### **Status of outstanding investor complaints in relation to Our Company:**

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

#### **Investor Grievances arising out of the Issue**

Our Company's investor grievances arising out of the Issue will be handled by M/s. Maheshwari Datamatics Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence. The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants

giving full details such as folio number / demat account number, name and address, contact telephone / cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the renouncee should be furnished. In case of non-routine grievances where verification at other agencies is involved, it would be the Endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner. The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/dematcredit/refund orders etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled “**Terms of the Issue**” on page 116 of this Draft Letter of Offer.

The contact details of the Compliance Officer and Registrar to the Issue are as follows:

<b>Registrar to the Issue</b>	<b>Company Secretary and Compliance Officer</b>
<b>Maheshwari Datamatics Private Limited</b> SEBI REGN. No.: INR000000353 Validity of Registration: Permanent CIN: U20221WB1982PTC034886 Contact Person: Mr. Ravi Kumar Bahl Address: 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, Tel. No.: +91-33-2248 2248; Fax No.: +91-33-2248 4787 Email ID: <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a> Website: <a href="http://www.mdpl.in">www.mdpl.in</a>	<b>Santanu Kumar Hazra</b> Address: 29, Ganesh Chandra Avenue, 4th Floor, Room No 407, Kolkata – 700 013 Telephone: +91-33-6644 7200 Email: <a href="mailto:abhaproperty@gmail.com">abhaproperty@gmail.com</a>

## TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.*

*Investors are requested to note that application in this Issue can only be made through ASBA facility.*

### Overview

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Offer Documents, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the CSE and the terms and conditions as stipulated in the Allotment advice by the BSE Limited.

### Important

#### 1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Offer Documents only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid email address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can access the Offer Documents (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

- Our Company's website at <https://abhaproperty.in/>
- Merchant Banker's website at [www.intelligentgroup.org.in/](http://www.intelligentgroup.org.in/)
- Registrar to the Issue's website at [www.mdpl.in](http://www.mdpl.in)
- BSE Limited's website at [www.bseindia.com](http://www.bseindia.com)
- CSE's website at [www.cse-india.com](http://www.cse-india.com)

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.mdpl.in](http://www.mdpl.in) by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at <https://abhaproperty.in/>.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Shareholders who have provided their Indian address through other means, as may be feasible.

## 2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the paragraph titled “*Procedure for Application through the ASBA Process*” on page 129 of this Draft Letter of Offer.

### a. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see ‘Grounds for Technical Rejection’ on page no. 137 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 131 of this Draft Letter of Offer.

### b. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account titled as ‘**APPL – Rights Entitlement Unclaimed Suspense Account**’ opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to: (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on [●]day, [●],[●], being the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) Credit of the Rights Entitlements returned/reversed/failed; or (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Shareholders as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal

and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than [●]day, [●],[●], being 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●]day, [●],[●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer.

**c. Application by Eligible Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least 1 (One) day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least 2 (Two) Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a. The Eligible Equity Shareholders are residents;
- b. The Eligible Equity Shareholders are not making payment from non-resident account;
- c. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d. The Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account titled as “APPL – Rights Entitlement Unclaimed Suspense Account” opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

**d. Application for Additional Equity Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner set out in “Basis of Allotment” beginning on page 140 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors are requested to kindly note that after purchasing the Rights Entitlements through Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights

Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through Off Market Renunciation, please refer to the heading titled “**Procedure for Application through the ASBA process**” on page 129 of this Draft Letter of Offer.

### **Other Important Links and Help Lines**

The Investors can visit following links for the below-mentioned purposes:

- I. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.mdpl.in](http://www.mdpl.in)
- II. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [www.mdpl.in](http://www.mdpl.in)
- III. Updating of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.mdpl.in](http://www.mdpl.in)
- IV. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: [www.mdpl.in](http://www.mdpl.in)

#### **e. Renouncees**

- I. All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

#### **f. Authority for the Issue**

- I. The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on May 29, 2023 in accordance with the provisions of Section 62 of the Companies Act.
- II. The Board of Directors in their meeting held on May 29, 2023 have determined the Issue Price at ₹10/- per Equity Share and the Rights Entitlement as 5 Rights Equity Shares for every 1 fully paid-up Equity Share held on the Record Date.

The Issue Price has been arrived at in consultation with the Lead Manager.

- III. Our Company has received in-principle approval from the CSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●], [●].

#### **g. Basis for the issue**

- I. The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

#### **h. Rights entitlements**

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not



result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at [www.mdpl.in](http://www.mdpl.in) by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on our Company's website at <https://abhaproperty.in/>.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Rights Issue Opening Date only in dematerialized form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Rights Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account titled as "**APPL – Rights Entitlement Unclaimed Suspense Account**" to their respective demat accounts, at least 1 (One) day before the Rights Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the Registrar's website at [www.mdpl.in](http://www.mdpl.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions.

The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website and CSE's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer filed with CSE and the Letter of Offer to be filed with SEBI, BSE and the CSE. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have

declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person. Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible.

**i. Principal Terms of This Issue.**

**1. Face Value**

Each Right Shares will be having face value of ₹10/- (Rupees Ten Only) each.

**2. Issue Price**

Each Rights Equity Share is being offered at a price of ₹10/- (Rupees Ten Only) per Rights Share and shall be payable by the Eligible Shareholders while making an Application for this Issue.

The Issue Price for Rights Equity Shares has been decided by our Company in consultation with the Lead Manager.

**3. Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Shares for every 1 (One) fully paid-up Equity Share held by the Eligible Equity Shareholders as on the Record Date.

**4. Mode of Payment of Dividend.**

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

**5. Terms of Payment**

Each Rights Equity Share is being offered at a price of ₹10/- (Rupees Ten Only) per Rights Share. On Application, Investors will have to pay the Issue Price of ₹10/- (Rupees Ten Only) per Right Share aggregating to Rs.50/- (Rupees Fifty Only) for 5 (Five) Rights Share for every 1 (One) Equity Share held. Where an Applicant has applied for additional Right Shares and is allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded /unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

**6. Separate ISIN for Right Shares**

In addition to the present ISIN “INE964E01011” for the existing Equity Shares, our Company would obtain a separate ISIN “[●]” for the Right Shares. The ISIN “[●]” representing the Right Shares will be terminated on payment of the Application Money in respect of the Right Shares and merged with the existing ISIN “INE964E01011” of our Equity Shares.

**7. Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The renunciation of Rights Entitlements credited in your demat account can be made by sale of such Rights Entitlements through an off-market transfer.

In accordance with SEBI Right Issue circulars the Eligible Shareholders, who hold Equity Shares in physical form on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

#### **8. Process of Credit of Rights Entitlements in dematerialized account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account titled as “**APPL – Rights Entitlement Unclaimed Suspense Account**” opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to: (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on [●]day, [●],[●], being the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) Credit of the Rights Entitlements returned/reversed/failed; or (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than [●]day, [●],[●], being 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●]day, [●],[●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.mdpl.in](http://www.mdpl.in)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security

control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED ‘PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS’ ON PAGE NO. 129 OF THIS DRAFT LETTER OF OFFER.**

#### **9. Fractional Entitlements**

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 5 (Five) Rights Shares for every 1 (One) fully paid-up Equity Share held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.

For example, if an Eligible Equity Shareholder holds 1 Equity Shares, such Equity Shareholder will be entitled to 5 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

#### **10. Ranking of Equity Shares**

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the CSE and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

#### **11. Trading of the Rights Entitlements**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Investors shall be able to trade their Rights Entitlements through Off Market Renunciation. The trades through Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Prior to the Issue Opening Date, our Company will obtain the approval from the CSE for listing and trading approval of Rights Entitlements. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “**Procedure for Renunciation of Rights Entitlements – Off Market Renunciation**” on page no. 130 of this Draft Letter of Offer.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

## **12. Credit Rating**

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

## **13. Listing and trading of the Right Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the CSE through letter bearing reference number '[●]' dated [●] day, [●],[●]. Our Company will apply to the CSE for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on CSE Bearing Scrip Code '011594' under ISIN INE964E01011. The Rights Equity shall be credited to temporary ISIN [●] which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up equityshare of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the CSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the CSE, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' beginning on page no. 21 of this Draft Letter of Offer. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

## **14. Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' beginning on page no. 39 of this Draft Letter of Offer.

## **15. Rights of holders of Right Shares of our Company**

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank pari-passu with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;

- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue**

#### **General Terms of the Issue**

##### **1) Market Lot**

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share. For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' beginning on page no. 21 of this Draft Letter of Offer.

##### **2) Minimum Subscription**

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement, in part or to full extent and will not renounce rights except to the extent of renunciation within the promoter group

The objects of the Rights Issue involve augment our capital base and for increasing our operational scale with respect to our NBFC activities i.e., other than the financing of capital expenditure for a project.

##### **3) Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

##### **4) Nomination**

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

##### **5) Arrangements for Disposal of Odd Lots**

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required. For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing



and trading shall be available for the shareholders of the Company' beginning on page no. 21 of this Draft Letter of Offer.

## **6) Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

## **7) Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 03/2022, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the CSE and BSE for making the same available on their website.

## **8) Offer to Non-Resident Eligible Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Rights Shares over and above their Rights Entitlements;
2. Renounce the Right Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares, and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or physically/postal means at the address of the Registrar mentioned on the cover page of this Draft Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on

such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as 'OCBs') have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

#### **Procedure for Application How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Equity Shares of our Company are exclusively listed on CSE. Since the trading platform of CSE is not functional, the Company shall be using the bidding platform of BSE Limited i.e., Internet based-Book Building Software (iBBS) for the Rights Issue. Hence, Applicants desirous shall use the ASBA platform of BSE Limited for applying in the Issue. Please note that the Equity Shares being issued in this Rights Issue shall not be listed on BSE Limited.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page no. 134 of this Draft Letter of Offer.

#### **Application Form**

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to:

1. E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;
2. Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;
3. Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
4. E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit [www.mdpl.in](http://www.mdpl.in). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

- Our Company at <https://abhaproproperty.in/>;
- The Registrar at [www.mdpl.in](http://www.mdpl.in);
- The Lead Manager at [www.intelligentgroup.org.in/](http://www.intelligentgroup.org.in/);
- The Designated Stock Exchange at [www.cse-india.com](http://www.cse-india.com);
- BSE Limited's website at [www.bseindia.com](http://www.bseindia.com);

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.mdpl.in](http://www.mdpl.in) by entering their DP-ID and Client-ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at <https://abhaproproperty.in/>.

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by:

- I. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
- II. Please note that Applications made with payment using third party bank accounts are liable to be rejected. Investors are also advised to ensure that the Application Form is correctly filled up stating therein:
- III. The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page no. 137 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar, BSE, CSE and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 131 of this Draft Letter of Offer.

### **Options Available To The Eligible Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- I. Apply for its Right Shares to the full extent of its Rights Entitlements; or
- II. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- III. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- IV. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
- V. Renounce its Rights Entitlements in full.

### **Procedure For Application Through the ASBA Process**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Company shall be using the bidding platform of BSE Limited i.e., Internet based-Book Building Software (iBBS) for the Rights Issue. Hence, Applicants desirous shall use the ASBA platform of BSE Limited for applying in the Issue. Please note that the Equity Shares being issued in the Issue shall not be listed on BSE Limited.

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### **Self-Certified Syndicate Banks**

Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other

website as updated from time to time For details on Designated Branches of SCSBs collecting the Application Form, please refer the above- mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

#### **Acceptance of This Issue**

Investors may accept this Issue and apply for the Right Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made Available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 131 of this Draft Letter of Offer.

#### **Additional Right Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity Share. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 140 of this Draft Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines; can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

#### **Procedure for Renunciation of Rights Entitlements**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The Rights Entitlements can be transferred in dematerialized form only. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) must issue a receipt instruction slip to their depository participant.

The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account. The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the Depositories from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS. PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

#### **Application on Plain Paper Under ASBA Process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH ASBA FACILITY.**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being 'Abha Property Project Limited';
- (ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository.
- (iii) Registered Folio No./DP and Client ID No.;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;
- (vi) Number of Rights Equity Shares entitled to;
- (vii) Total number of Rights Equity Shares applied for.
- (viii) Number of additional Rights Equity Shares applied for, if any;
- (ix) Total number of Rights Equity Shares applied for;
- (x) Total amount paid at the rate of ₹10/- (Rupees Ten Only) for Rights Equity Shares issued in one Rights Entitlement;
- (xi) Details of the ASBA Account such as the account number, name, address and branch of the



- relevant SCSB;
- (xii) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules;
- (xiii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
- (xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xvi) Additionally, all such Applicants are deemed to have accepted the following:

I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.mdpl.in](http://www.mdpl.in).

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

### **Mode of Payment**

All payments against the Application Forms shall be made only through ASBA. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA

facility or internet banking.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### **1) Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility and Applicants are requested to strictly adhere to these instructions.

### **2) Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, the following conditions shall apply:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the email addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.*

- (i) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;
- (ii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

### **Notes:**

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

- (ii) In case Right Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;
- (iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renouncees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

#### **Application by Eligible Shareholders Holding Equity Shares in Physical Form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2(Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.mdpl.in](http://www.mdpl.in).

#### **Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form,**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

The Eligible Equity Shareholders shall send a letter to the Registrar to the Issue containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than 2 (Two) Working Days prior to the Issue Closing Date.

- a. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- b. The Eligible Equity Shareholders can access the Application Form from:
  - Our Company at <https://abhaproproperty.in/>;
  - The Registrar at [www.mdpl.in](http://www.mdpl.in);
  - The Lead Manager at [www.intelligentgroup.org.in/](http://www.intelligentgroup.org.in/);
  - The Stock Exchanges at [www.cse-india.com](http://www.cse-india.com);
  - BSE Limited's website at [www.bseindia.com](http://www.bseindia.com)
- c. Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue [www.mdpl.in](http://www.mdpl.in) by entering their DP ID and Client ID or

Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company <https://abhproperty.in/>.

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **Allotment of the Rights Equity Shares In Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 141 OF THIS DRAFT LETTER OF OFFER.**

#### **General Instructions for Investors**

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Equity Shareholders and the Renounees;
4. Application should be made only through the ASBA facility;
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 131 of this Draft Letter of Offer;
7. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited;
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the

residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

**Do's:**

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DPID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts:**

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on

- this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
  4. Do not pay the Application Money in cash, by money order, pay order or postal order;
  5. Do not submit multiple Applications.

**Do's for Investors applying through ASBA:**

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

**Don'ts for Investors applying through ASBA:**

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;
5. Do not pay the Application Money in cash, by money order, pay order or postal order;
6. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

**Grounds for Technical Rejection**

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;



8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;  
Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
17. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

**DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE. IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.**

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records. **The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.** In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

### **Multiple Applications**

In case where multiple Applications are made in respect of the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

### **Last Date For Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●]day, [●], [●] i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with BSE Limited and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "**Basis of Allotment**" on page 140 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal Of Application**

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

## Issue schedule

<b>Last date for Credit of Rights Entitlement:</b>	<b>[●]</b>
<b>Issue Opening Date:</b>	<b>[●]</b>
<b>Last date for off market renunciation of rights entitlements*</b>	<b>[●]</b>
<b>Issue Closing Date: #</b>	<b>[●]</b>
<b>Finalization of Basis of Allotment (on or about):</b>	<b>[●]</b>
<b>Date of Allotment (on or about):</b>	<b>[●]</b>
<b>Date of Credit (on or about):</b>	<b>[●]</b>
<b>Date of Listing/ Trading (on or about):</b>	<b>[●]</b>

*\*The Equity Shares of our Company are exclusively listed only on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.*

*#Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than [●]day, [●],[●], being 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●]day, [●],[●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.*

*Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).*

## Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
  - (a) Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
  - (b) Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

2. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
3. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and.
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

#### **Allotment Advice or Refund / Unblocking of ASBA Accounts**

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **Credit And Transfer Of Rights Equity Shares In Case Of Shareholders Holding Equity Shares In Physical Form And Disposal Of Rights Equity Shares For Non-receipt Of Demat Account Details In A Timely Manner.**

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be open by our Company;

- b. Such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- d. Our Company shall send reminder notices seeking the requisite details of demat account, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details; and
- e. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/her own demat account, the Rights Equity Shares shall remain in the demat suspense account.

**Notes:**

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

**Payment of Refund**

**Mode of making refunds**

The payment of refund, if any will including the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated

Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR number. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000/- the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **Allotment Advice or Demat Credit of Shares**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **Receipt of the Right Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES



IN PHYSICAL FORM AS ON THE RECORD DATE, OR

3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM / WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be allotted the Right Shares in dematerialized (electronic) form.

**Investors May Please Note That the Right Shares Can Be Traded on The CSE Only In Dematerialized Form.**

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under.

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**Procedure for Application by Certain Categories of Investors**

**1. Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post - Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the

aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

## **2. Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

## **3. Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from

the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### **4. Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

#### **5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

#### **Payment by Stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

#### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto. In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **Undertakings by Our Company**

Our Company undertakes the following:

- a. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- b. All steps for completion of the necessary formalities for listing and commencement of trading at CSE where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- c. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- f. Adequate arrangements shall be made to collect all ASBA Applications.
- g. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

### **Utilization of Issue Proceeds**

Our Board declares that:

- a. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- b. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- c. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

### **Important**

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity

Shareholder as mentioned on the Application Form and super scribed '**ABHA PROPERTY PROJECT LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

**MAHESHWARI DATAMATICS PRIVATE LIMITED**

**SEBI Registration Number:** INR000000353

**Address:** 23, R.N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700001

**E-mail ID:** [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

**Website:** [www.mdpl.in](http://www.mdpl.in)

**Contact Person:** Mr. Ravi Kumar Bahl

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (Tel: 033 2248 2248).
4. This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

### **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-

resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



## **STATUTORY AND OTHER INFORMATION**

Please note that the Right equity shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed/ failed.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are, or may be deemed material, have been entered or to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of our Company at <https://abhproperty.in/> in from the date of this Draft Letter of Offer until the Issue Closing Date.

### **I. Material contracts for the Issue:**

1. Issue Agreement dated February 02, 2024 between our Company and the Lead Manager to the Issue.
2. Registrar Agreement dated February 05, 2024 between our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, and the Registrar to the Issue and the Banker to the Issue.
4. Tripartite Agreement dated February 15, 2017 between our Company, CSDL and the Registrar to the Issue.

### **II. Material documents:**

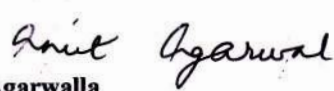
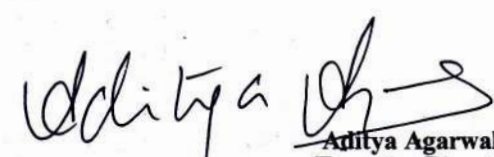
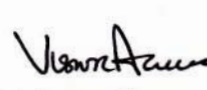
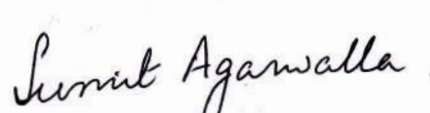

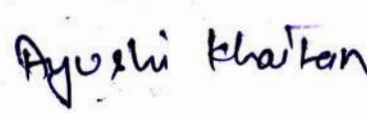
1. Certified copies of the updated Memorandum of Association and Articles of Association as amended.
2. Certificate of incorporation dated May 10, 1985.
3. Company Law Board (CLB), Northern Region Bench, New Delhi, order dated October 16, 2001 for change of Registered Office.
4. Resolution of our Board of Directors of our Company dated May 29, 2023 authorizing the Issue, finalization of Issue Price, Issue Size and Right Entitlement Ratio.
5. Resolution of our Rights Issue Committee dated March 27, 2024, approving the Draft Letter of Offer.
6. Resolution of Board of Directors dated [●] finalizing the Record Date.
7. Resolution of our Rights Issue Committee dated [●], approving the Letter of Offer.
8. Copies of annual reports of the Company for last 3 Financial Years ending on March 31, 2021, March 31, 2022, March 31, 2023 and Audited consolidated financial statement for the six months period ended September 30, 2023.
9. Consent Letter dated January 05, 2024 from the Statutory Auditor, namely Rajgaria & Associates, Chartered Accountants, to include their name as required under SEBI ICDR Regulations in this Draft Letter of Offer and as an “expert” defined under Section 2(38) of the Companies Act, to the extent and in their capacity as a statutory auditor in respect of their report dated February 23, 2024 on the statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India included in this Draft Letter of Offer.
10. Consent Letters of the Lead Manager to the Issue, Registrar to the Issue, Legal Advisor to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer to include their names in the Draft Letter of Offer to act in their respective capacities.
11. In-principle approval ref no. [●] dated [●] from the CSE.
12. Credit confirmation of Rights Entitlement received from NSDL
13. Credit confirmation of Rights Entitlement received from CDSL

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in our interest or if required by the other parties, without reference to the eligible shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

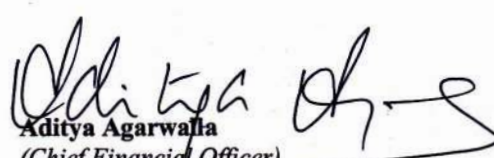
## DECLARATION

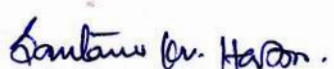
We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India, and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY ALL THE DIRECTORS OF THE COMPANY:**

 <b>Amit Agarwalla</b> (Chairman & Managing Director)	 <b>Aditya Agarwalla</b> (Executive Director)
 <b>Vishal Agarwalla</b> (Non-Executive & Non-Independent Director)	 <b>Sumit Agarwalla</b> (Non-Executive & Non-Independent Director)
 <b>Mandeep Kaur Jaiswal</b> (Non-Executive Independent Director)	 <b>Ayushi Khaitan</b> (Non-Executive Independent Director)

**Signed by the Chief Financial Officer and the Company Secretary of the Company:**

  
**Aditya Agarwalla**  
(Chief Financial Officer)

  
**Santanu Kumar Hazra**  
(Company Secretary & Compliance Officer)

**Date: March 27, 2024**

**Place: Kolkata**